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# Daily Report

# East Europe

FBIS-EEU-93-188
Thursday
30 September 1993

# Daily Report
## East Europe

*FBIS-EEU-93-188* *30 September 1993*

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## Croatian President Attends UN General Assembly

*LD2909212093 Zagreb HTV Television in Serbo-Croatian 1830 GMT 29 Sep 93*

[Excerpts] The 48th annual session of the UN General Assembly has continued in New York. Franjo Tudjman, president of the Republic of Croatia, is taking part in the session. We have a report by foreign political editor Jozo Curic:

[Begin recording] [Curic] There has never been any talk of sanctions against Croatia in any serious circles. No one within or outside the UN Security Council is threatening Croatia or refuting its demands. Our foreign policy states that the world should guarantee what it once adopted in its resolutions. In the course of the diplomatic contacts on the last day of the president's visit to the United States, the world's most senior diplomatic officials in New York were all in favor of Croatia's territorial integrity. Time is the only key. The Croatian president, the foreign minister, and the Croatian ambassador to the United Nations have demanded that Croatian problems are resolved immediately, but not at the expense of the radical decision to expel the peace forces which, the Croatian president believes, would not resolve the problems and would turn the world against us.

[Tudjman] I think that we are in the process of finding a solution suitable to both the UN Security Council and Croatia. All responsible factors in international policy, even those we consider to be friendly with Croatia, are recommending that we should not reject all possibilities of further cooperation with the United Nations—which was not our intention anyway. We simply did not want the extension of the kind of mandate in force at present. We also take into consideration the fact that a sudden departure of the peace forces could complicate the situation. Our policy, in respect of this, is that we are seeking a political solution, but that we cannot delay efforts to resolve important issues regarding the UNPA's [UN Protected Areas]. [passage omitted]

It seems to me that a solution will be found which will satisfy Croatia's major demands and which will make it possible for the peace forces to remain in the UNPA's, given that the United Nations and the EC are interested in settling the crisis throughout the former Yugoslavia. [passage omitted]

The United Nations and the world cannot take a stand on UNPA's outside the content of the crisis in Bosnia-Herzegovina. From our point of view, i.e. from the standpoint of the Croatian people and even the Croatian state, the settlement of the crisis in Bosnia is of vital interest; it would facilitate the settlement of UNPAs and vice versa, of course. We have always treated the settlement of the UNPA issue in Croatia as a priority but the international community gave priority to the Bosnian crisis for understandable reasons.

[Curic] Finally, let us say what Croatia gained in the United Nations and outside this organization. No one has denied Zagreb its right to cancel UNPROFOR's [UN Protection Forces] mandate when it so wished, but this would turn the world against us, said the Croatian president. The aim is to liberate Croatia as a whole, Tudjman told Croatian emigrees last night. [passage omitted] [end recording]

## Berov Views Problems of Tobacco Industry

*AU2909163393 Sofia 24 CHASA in Bulgarian 24 Sep 93 p 12*

[Interview with Prime Minister Lyuben Berov by Ognyan Kostov; place and date not given: "Illegal Cigarette Imports Are Destroying Our Tobacco Industry"]

[Text] [Kostov] Mr. Berov, recently, tobacco has been causing social tension in the country. Was it not possible to prevent this?

[Berov] Yes, the issue has become very pressing, and, for this reason, I asked for figures on the import of tobacco products into Bulgaria. I received a computer printout about 25 meters long. It turned out that 7,187 tonnes of cigarettes have been imported since the start of the year.

If we estimate that 1 kg represents about 60 packs of cigarettes, this means that we have imported almost 500 million packs. If we accept that there are about 3.5 million smokers in Bulgaria, which is higher than the actual figure, it emerges that between January and the beginning of September we imported 100 packs for every smoker. This is equal to the country's annual consumption.

[Kostov] Is this why our tobacco industry has collapsed?

[Berov] At the moment, we are encountering serious difficulties in selling our tobacco. The huge imports that I mentioned are partially to blame for the state of our tobacco industry and the situation of the tobacco producers. Because the domestic market is flooded with cheap imports, our cigarette factories cannot market their production, and this deals a blow to the tobacco producers.

[Kostov] Have these large quantities of cigarettes been imported legally?

[Berov] No. At customs, the price of a pack of cigarettes is declared to be one lev. However, these are famous brands of cigarettes that are sold in the market at prices between 15 and 25 leva. However, the prices declared when the cigarettes are imported are 10 to 15 times less than the actual prices.

The question immediately arises whether the customs officer to whom cigarettes are declared at such a price is blind. Clearly, he either has to be blind or wants to fill his pockets. The customs officers claim that they are shown invoices with such prices. However, it is abundantly clear that these are false prices. A total of 1,324 firms are engaged in these imports.

Someone might say that under a market economy anyone has a right to import and export whatever he likes. This is true, but it does not apply to imports carried out in such a manner.

[Kostov] What will the government do to counteract this?

[Berov] We will bring to book those companies that have imported cigarettes with false customs declarations. This is tantamount to providing false information in an official document. I will raise this matter with the Ministry of Justice. Those who have made false customs declarations should be prosecuted. We will also check whether they have declared their profits from the sale of the imported cigarettes.

The cigarettes are imported practically without paying any customs dues or excise duties. The importers have paid about 140 million leva in duties, whereas if the goods had been valued at their real price they should have paid 1.7 billion lev. The same is true of the excise duty paid. They paid 200 million leva instead of the 3 billion leva that was due.

The tobacco factories have to pay excise duty, however, because they cannot avoid it. Thus, the illegal imports make our domestic production unsaleable.

If law and order exist in the country, all these people must bear responsibility for their acts. The person who lets them through customs should also be made answerable, as well as the person who permitted the import of so many cigarettes.

Last week, the cabinet approved minimum import prices for tobacco products with a view to protect the Bulgarian products.

[Kostov] When will the effects of this step be felt?

[Berov] When the customs begin to apply the decree in calculating the customs duty. The decree is already in force, but it will probably be two or three months before our tobacco processing industry begins to revive.

[Kostov] Does this mean that Bulgarian tobacco has suffered a "knockout."

[Berov] Yes. Someone made a mistake, and we will try to find out who. I received the first tipoff that something was wrong only a month ago, and we immediately started an investigation.

[Kostov] What will happen with the tobacco producers' demands for higher purchase prices?

[Berov] The issue of purchase prices is very complicated. This is a national question, and the parliamentary groups must give their views on it.

We must assess the real purchase price at such a level as to ensure that the tobacco does not become unsaleable. The tobacco already produced has to be purchased. However, the nation as a whole has to purchase it, because someone has to pay for it out of the budget. If the nation does not pay for it now, it will have to do so next year, when Bulgartabak goes bankrupt. Bulgartabak claims that tobacco purchased at the prices claimed by the producers cannot be sold.

[Kostov] However, can we believe what Bulgartabak says without reservations?

[Berov] This we will check. However, the prices that they offer at the moment are what they say they are.

[Kostov] Will the Bulgartabak Economic Trust be restructured?

[Berov] The government will discuss this, but even this idea will not help at the moment. One way or another, the cigarettes have already been imported. I assume that the imports during 1992 were even greater. The warehouses even contain cigarettes from 1991.

[Kostov] Have you discussed the possibility of updating the budget so as to provide compensation to the producers?

[Berov] This cannot happen in this year's budget, because to update the budget we would have to obtain additional revenues that have not been planned for. Any other solution would mean increasing inflation. We have agreed with the political forces in parliament not to violate our policy of holding back inflation, which will be lower this year than in 1992.

If we decide to infringe our policy and start handing out money, this would mean taking our foot off the brakes, and the cart will start to slip toward the abyss.

[Kostov] What, in your opinion, is the solution to the tobacco crisis?

[Berov] The solution is not to permit such a situation to arise from now on. If, last autumn, someone had told the people that Bulgartabak's warehouses held about 120,000 tonnes of unsold tobacco and that the growers were producing tobacco that will probably not be sold on the market, it is highly unlikely that we would have reached this situation.

### Zhelev's Message to Atlantic Treaty Association

*AU2909191493 Sofia BTA in English 1631 GMT 29 Sep 93*

[Text] Sofia, September 29 (BTA)—"The strengthening of democratic institutions, civil control over military structures, protection of human rights and freedoms, a free market economy and private initiative are fundamental generally recognized principles in Bulgaria and any retreat from them is impossible. The Bulgarian public can take credit for this country's peaceful, civilized and worthy transition in which the interests of different social, ethnic and religious groups have been considered," reads a message by President Zhelyu Zhelev to the 39th General Assembly of the Atlantic Treaty Association which opened in Athens today. Dr. Zhelev cannot attend it in person because of prior engagements. This information was released here today by the president's Press Office.

The fact that Greece is host to the forum symbolically draws the attention of the assembly of Atlantic Treaty communities to the Balkans, according to Dr. Zhelev. Elaborating on the situation in the Balkans, Dr. Zhelev stresses that Bulgaria is a reliable and trustworthy partner and meets its international commitments to the maximum.

"To the detriment of its economic interests, we have strictly been implementing the UN resolutions on economic sanctions against Serbia and Montenegro, which have had a serious impact on Bulgaria's economic security, and hence on its national security," Dr. Zhelev says.

Stressing that Bulgaria has repeatedly voiced its readiness for complete integration with the NATO structures, full membership included, President Zhelev says that for Bulgaria there is more to this question than guarantees for its national security. "Bulgaria is ready to share the responsibilities for Balkan security through real contribution within the alliance's framework and through close relations with the NATO member countries as its allies," the message reads. According to Dr. Zhelev, Bulgaria's good bilateral relations with Greece and Turkey at present, including relations in the military area, create prerequisites for the formation of kind of triangle of security in the Balkans.

"Bulgaria sincerely hopes that similarities in the development, aspirations and problems of the central and East European countries will be taken into consideration as prerequisites for integration," Dr. Zhelev says in connection with a discussion on prospects to enlarge NATO membership, which started recently. According to President Zhelev, while making such decisions NATO member countries should not artificially discriminate between groups of countries. President Zhelev says: "Should differentiation prove indispensable in the future, it should be made according to objective criteria, such as the individual countries' ability to contribute to NATO's strength and Euro-Atlantic security."

### Daskalov Meets Slovene, Belarusian Ministers

*AU3009084793 Sofia BTA in English 0715 GMT 30 Sep 93*

[Text] United Nations, New York, September 30 (BTA)—Minister of Foreign Affairs Stanislav Daskalov, who leads the Bulgarian delegation to the 48th session of the UN General Assembly, continued his meetings here, reported the Bulgarian Foreign Ministry. Meeting with Slovenian Foreign Minister Lojze Peterle, he discussed the steps to be taken by Bulgaria and Slovenia to place their relations on a legal basis, and the war in Bosnia-Herzegovina. At the talks with the foreign minister of Belarus Petr Kravchanka, he discussed the further expansion of business and trade cooperation between the two countries.

Meeting with the minister of foreign affairs of Luxembourg Jacques Poos, Mr. Daskalov expressed hope that Luxembourg will lend support to Bulgaria in the course

of its integration into Western European structures. The Bulgarian foreign minister emphasized the need to seek ways to reduce the enormous losses sustained by Bulgaria as a result of it strict implementation of the UN sanctions on the Federal Republic of Yugoslavia.

### Defense Minister Aleksandrov Returns From Athens

*AU3009090293 Sofia BTA in English 1934 GMT 29 Sep 93*

[Text] Sofia, September 29 (BTA)—Defence Minister Valentin Aleksandrov voiced Bulgaria's strong desire to become a NATO member in a speech before the 39th General Assembly of the Atlantic Treaty Association in Athens today.

"We said that a strategic corner of Europe, including Turkey, Greece and Bulgaria, could form a basis for the entire European security," Mr. Aleksandrov said on his arrival tonight.

Mr. Aleksandrov also said Bulgaria is ready to share the responsibilities for Balkan stability. "I am convinced that security building in southern Europe is of special importance to NATO," Mr. Aleksandrov said. In connection with the crisis in the former Yugoslavia, he called on NATO allies "to try to contain the conflict," stressing that its possible spillover "would have unpredictable consequences for European stability."

The Bulgarian Atlantic Club was granted observer status in the Atlantic Treaty Association last October.

### Gas Deliveries Protocol Signed With Ukraine

*AU2909080793 Sofia BTA in English 1847 GMT 28 Sep 93*

[Text] Sofia, September 28 (BTA)—This evening the deputy prime ministers of Bulgaria and Ukraine—Mr. Valentin Karabashev and Mr. Kovalko, signed an intergovernmental protocol regulating interrelations in respect to a similar document signed in 1986 between Bulgaria and the then Soviet Union, the Press Office of the Council of Ministers informed BTA.

The most important part of the document is that Bulgaria will receive gas from the Ukraine in exchange for the credit it granted under the 1986 agreement. Today the Ukrainian guests discussed bilateral cooperation in the field of gas supply and gas industry equipment, how gas storages in Bulgaria will be used in winter and future transit of gas through Bulgaria for Turkey and Greece.

### Romania Explains Inclusion of Dobrudzha on Map

*AU2909191393 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 29 Sep 93*

[Text] Regarding the explanation the Bulgarian Ministry of Foreign Affairs requested from Romania on the recent publication of a geographic map that depicts the borders of Greater Romania during the period of 1918-1940, the Romanian Ministry of Foreign Affairs confirmed to the Bulgarian ambassador in Bucharest its position on the issue of southern Dobrudzha, namely, that Romania has no territorial claims toward Bulgaria.

Simultaneously, it was pointed out that isolated nationalist incidents must not disrupt the development of bilateral relations under conditions of democracy and pluralism.

### New Right-Wing Alliance Leader Lists Objectives

*AU2909190293 Sofia 24 CHASA in Bulgarian 24 Sep 93 p 13*

[Interview with Stefan Nikolov, leader of the New Bulgaria Party and recently elected chairman of the Liberal-Conservative Alliance, by Ivan Zdravkov; place and date not given: "St. Nikolov: The Truly Right-Wing Alliance Will Have Supporters Even Among the Unemployed"]

[Excerpts] [Zdravkov] The Liberal-Conservative Alliance [LKS], which was founded a few days ago, is a very recent political fact. What is it planning for the future?

[Nikolov] We intend to join efforts in pursuing our objective, which is to persuade the Bulgarian public of the need for a real right-wing force. The LKS is willing to disperse the ideological fog spread by the forces of the Union of Democratic Forces [SDS] and of the Bulgarian Socialist Party [BSP] in order to delude the people. We are rejecting such delusions, which are based on the ideology of negation. It has, nevertheless, been kept up for some time by people who are trying to prevent the public expression and defense of unmistakable social interests. It is our ambition to be a nucleus and original model for the Bulgarian political right wing. Some people may be offended, but no clearly expressed and socially established right-wing force exists in our country, so far. This is one of the most tragic implications of our Bulgarian transition to democracy.

[Zdravkov] Which of your founding documents required the greatest efforts?

[Nikolov] On 21 September 1993 the Constitutional Forum, the Bulgarian Liberals' Party, and the Nova Bulgaria Party signed a constituent protocol, a statute, and a declaration of our goals and principles. The drafting of the statute required the greatest efforts, because we were guided by the understanding that, along with consoldating individual formations, we should preserve their identity. We found mechanisms that are likely to guarantee the alliance for joint actions, as well as the possibility of individual political activities.

[Zdravkov] How did you solve the problem of membership in the Alliance?

[Nikolov] The LKS was created as an open political alliance, accepting the membership of political parties

and organizations with platforms that are closely related to the principles of liberalism and conservatism. We are also accessible to individuals, politicians, and public figures who are not affiliated with parties. Individual membership is one of the specific features of our alliance. Thus, we are trying to stimulate the political involvement of the Bulgarian intellectual, professional, and social elite. I must point out that national interests are the basic priorities of the SDS cause. [passage omitted]

[Zdravkov] How is the Alliance planning to run in the next elections?

[Nikolov] I am reading Article 2 of our Statute in this connection: "In case of elections, the LKS registers on the basis of the acting Electoral Law as an election coalition, individually or by joining other parties, coalitions, or alliances."

[Zdravkov] Can you describe the view of the conservatives and liberals on the financing of the parties' election campaigns by the state?

[Nikolov] I will express my own opinion. I do not consider it correct that, under the present situation of crisis, our state should finance the political activities of any party whatsoever. Naturally, worldwide experience shows that such forms of financing are applied and do not represent a breach of democracy. Our statute bans the financing of the LKS by foreign individuals and legal bodies, and we particularly insist on this point, because it would empty our enlightened patriotism of its meaning.

[Zdravkov] What about your alliance could be attractive to the public?

[Nikolov] The Bulgarian Liberals' Party is the political successor to a basic structure in the period of democratic transition. The Constitutional Forum expresses the ideas of the Bulgarian academic intelligentsia, while the New Bulgaria Party already proved that it is the protector of Bulgarian private enterprise. Nevertheless, in talking about right-wing forces, let us not forget that the LKS will be attractive even for the unemployed, because free enterprise and the development of private business guarantee their future employment.

[Zdravkov] Is the New Bulgaria Party the most right-wing member of the Alliance?

[Nikolov] The political changes in our country are proceeding in a total vacuum of historical traditions and objective criteria of political pluralism. The New Bulgaria Party, as it declared at its recent congresses, is situated in the middle of the right-wing political spectrum. The LKS, as the ideological framework, covers part of the left spectrum, but also some of the right-wing space. I think that the Alliance, as a nucleus of the right wing and as a political configuration, has formed a circular defense that has no right of left flanks. Even before our establishment, all supporters of the blue and red [SDS and BSP] fog who are trying to mislead the people that democracy can be only left or right wing, rallied against us. We declared that we are obliged to find a consensus on all nationwide issues and to engage in a serious discussion by reaching compromises on domestic problems of an economic and social nature.

[Zdravkov] Who are your deputies?

[Nikolov] Rumen Kasabov is deputy chairman for the Bulgarian Liberals' Party, while Avgust Michev represents the Constitutional Forum. Mr. Kasabov is an interesting exponent of business and civil service, while Mr. Michev, according to Prof. Nikolay Genchev, is the brilliant combination of an intellectual and a businessman.

[Zdravkov] Do you have a private business?

[Nikolov] I am not directly involved in business. I think that politics is a profession, while political responsibility is a fate.

## Commentary Assesses Results of BSP Plenum

*AU2909211293 Sofia KONTINENT in Bulgarian 27 Sep 93 p 8*

[Commentary by Emil Robev: "No Sensations"]

[Text] At the 27 September plenum of the Supreme Council of the BSP [Bulgarian Socialist Party] Andrey Lukanov complained that "one has the impression that an informal organization for manufacturing rumors is operating within the BSP." It seems that either this organization did not finish its work properly, or perhaps the correspondents misunderstood Nora Ananieva's statements on the radio, but the BSP leaders emphatically stressed that they have no intention to seize power now, instead of through elections.

In a word, the plenum confirmed the old policy line of preserving the present parliament and gave nominal support to the cabinet, but it also for the first time clearly stated when, in its view, the elections should be held, namely next year.

It appears that this plenum without sensations had a different purpose, namely to demonstrate to society that the party had restored its self-confidence, rid itself of its complexes, and revived its will for power. The events in Poland evidently inspire the BSP with new hopes, and the rhetoric about "a left alternative to save the country" is gaining momentum in the party's propaganda.

However, in spite of all the fine words about dialogue, the plenum gave no clear reply as to how this was to be achieved, with whom, or at what price. In other words, the party continues to be weighed down by its main problem—its social isolation.

And this will not help it to win the elections.

## Klaus Discusses Topical Political Issues

*AU2909214893 Prague LIDOVE NOVINY in Czech 25 Sep pp 1, 3*

[Interview with Prime Minister Vaclav Klaus by Tomas Smrcek; place and date not given: "The Prime Minister in Double Role—Politician and Political Scientist"]

[Text] In our regular column, Prime Minister Vaclav Klaus answers topical questions from LIDOVE NOVINY reporter Tomas Smrcek.

[Smrcek] For five days now, our politicians have been commenting on the election victory by the Polish left wing. Do you believe that it really was the left wing that won?

[Klaus] The outcome of the elections in Poland does not result from the strength of the left wing, but rather the weakness of the right wing. I know how difficult it is to transpose a negative image, that is the rejection of communism, into a positive one. Everything stands or falls by the ability to present this image to the public. If no political entity was found in Poland that could manage to do this, it is obvious that someone else won most of the votes: Someone who has more criticism than praise for the social transformation. It is a matter of logic, and I hope that this will serve as a warning to all those who believe that the social transformation in the Czech Republic is over and that we have entered the normal world as a regular country. Unfortunately, we have not, and many of us could pay dearly if we relax without moving any further.

[Smrcek] Our left wing welcomes the results of the Polish elections and criticizes Yeltsin for not complying with the Russian Constitution.

[Klaus] I must admit that the inner conflict arising out of the dual role that I play causes me turmoil. First, there is the role of one of the leading politicians of this country, of an undoubtedly right-wing disposition, and second, the role of general political analyst. In the first role, I must condemn the election results in Poland and the total instability and anarchy in Russia, and explain where their mistake lies and how it was that we did not make such an error. Of course, as a political scientist, I would add something else. I would take into account the degree to which the flow of public, social, economic, and political changes is a flow that does not respond to changes in the government, unless it involves a new government of the totalitarian, dictatorial type. Today, these processes are very broadly based, and governments—whether they are replaced by another one or not—only modify the speed of this flow, its course, set the good or bad timing of the changes, and decide the intermediate steps between them. I do not sense that the group that is now taking over power in Poland will stop all these changes. This is not an expression of a political conciliation with the opposition, but rather the opinion of a political scientist.

[Smrcek] The most recent public opinion survey shows that only 55 percent of citizens trust the government. There is a growing opinion that the government does not care about people and their problems.

[Klaus] I would not paint such a black picture. The idea that the government does not care about people seems absurd to me. If the government is concerned about anything, then it is the impact that the transformation has on the public, particularly on the weaker social strata. At the news conferences following the government sessions, we do not talk about the atmosphere surrounding the debate of this or that item. To tell you a secret, today's discussion of "the development of prices of certain farm products, particularly meat" was incredibly sharp and critical. The impact of this increase on the cost of living was ruthlessly analyzed, particularly as it affects pensioners. The government therefore decided to recommend that the Market Regulation Fund conduct intervention meat sales from its stock. It is only a recommendation because we made so many errors in our legislation that the government cannot do more than that. At the same time, the Market Regulation Fund, which is supposed to prevent such things from happening, did not resort to the regulation in time. The public does not know this. Although we do have a representative of the agriculture minister in the presidium of the Market Regulation Fund there are various other members who were approved by Parliament. There are deputies and representatives of agricultural lobby groups with interests that differ from civic interests. The Market Regulation Fund should act in the interest of the citizens and stabilize prices, but for that it would have to be controlled by the government.

## Lux Interviewed on Future of KDU-CSL

*AU3009090693 Prague LIDOVE NOVINY in Czech 27 Sep 93 p 2*

[Interview with Josef Lux, chairman of the Christian and Democratic Union-Czechoslovak People's Party and Minister of Agriculture, by Josef Petru; place and date not given: "J. Lux: In the Future, We Will Not Need the Civic Democratic Party"]

[Text] Recent public opinion surveys show that practically none of the Christian parties in the Czech Republic, including the Christian and Democratic Union-Czechoslovak People's Party [KDU-CSL], the Christian Democratic Party, and the nonparliamentary Christian Social Union, is certain of reaching the 5 percent cut-off point in the event of parliamentary elections. That is why we spoke with KDU-CSL Chairman Josef Lux.

[Petru] Mr. Chairman, it is general knowledge that the disintegration of Christian parties is damaging the Christian policy itself. Are you not worried that if there is no integration with the other Christian trends, you might not make the 5-percent cut-off point?

[Lux] I believe that no public opinion survey is ideal. I have access to an IVVM [Public Opinion Research

Institute] inquiry, answered by approximately 10,000 respondents one year after the elections. It turned out that we have the support of 6.8 percent of the electorate. I do not doubt for a second that the KDU-CSL will make it into the next parliament.

[Petru] Since January 1993, the KDU-CSL has been trying to shape itself within the framework of the government coalition as a completely autonomous party, independent of the Civic Democratic Party. Nevertheless, it seems that the target-oriented pragmatists in the leadership of this party view your efforts as somewhat ineffective....

[Lux] I am not convinced. I can hardly see it the way you put it if the proportion of parliamentary forces is 105:95 in favor of the coalition. It would be difficult to imagine our absence from voting on important laws. We are the balance on the scales. In the future, we will not need the Civic Democratic Party. Moreover, I believe that this party, which was victorious in the last elections, will undergo a certain political modification not unlike the one that took place in our party a while back.

## Indruch Resigns as Democratic Left Chairman

*AU2909142793 Prague TELEGRAF in Czech 25 Sep 93 p 3*

[Report by "(fp)": "The Communist Party of Czechoslovakia Has Disintegrated Into Five Factions"]

[Text] Prague—Party of the Democratic Left [SDL] representatives confirmed yesterday that Lotar Indruch has stepped down from his post as party chairman and is devoting himself to reestablishing the Democratic Left. The SDL Political Board "made note of these activities and, thus, considers certain contentious issues to have been resolved."

This split means that, instead of the original Communist Party of Czechoslovakia, there are now five successor entities in the Czech Republic: The Communist Party of Bohemia and Moravia, the Party of the Democratic Left, the Democratic Left, the Left Bloc, and the Left Bloc Party. At Tuesday's [21 September] session of the Left Bloc Council, the SDL confirmed the validity of the old association agreement with the proviso that a new agreement will be drawn up in October. According to Zdenek Masopust, the Polish elections were "a defeat for right-wing, left-wing, and Catholic political fundamentalism." "The Czech left wing, however, has not yet followed the path of the Polish left wing, and this is to its detriment," said Masopust.

## September Poll Indicates Politicians' Popularity

*AU2909144593 Prague CESKY DENIK in Czech 24 Sep 93 p 2*

[CTK report: "The Prime Minister's Popularity Has Declined"]

[Text] Prague—The popularity of Czech Prime Minister Vaclav Klaus has dropped by 4 percent. That is shown by the most recent survey conducted by the Institute of Public Opinion Research.

The popularity of Finance Minister Kocarnik also declined (by 7 percent) in comparison with the previous survey. Losses—in comparison with May—were also recorded for the politicians who were trusted by less than 50 percent of the respondents. This applies to Milan Uhde (a drop of 6 percent), Milos Zeman (5 percent), Petr Cermak (6 percent), and Josef Lux (8 percent).

**Popularity of Politicians in September 1993**

| | |
|---|---|
| Vladimir Dlouhy | 76 percent |
| Vaclav Havel | 68 percent |
| Jan Strasky | 66 percent |
| Vaclav Klaus | 61 percent |
| Jiri Dienstbier | 57 percent |
| Ivan Kocarnik | 54 percent |
| Jan Kalvoda | 52 percent |
| Jozef Zieleniec | 52 percent |
| Antonin Baudys | 39 percent |
| Karel Dyba | 39 percent |
| Milos Zeman | 38 percent |
| Jan Ruml | 33 percent |

## Meciar Outlines Government's Closed-Door Meeting

*AU2809132193 Prague CTK in English 1454 GMT 24 Sep 93*

[Text] Bratislava Sep 24 (CTK)—Slovak Premier Vladimir Meciar told Slovak Radio today that the forthcoming closed working meeting of the Slovak Government would not be in anyway linked to what was referred to as the intention of the opposition to take up the question of confidence in the cabinet at the current parliamentary session.

The government meeting is to take place in Trencianske Teplice, West Slovakia, on Saturday [25 September].

Meciar also denied any links between the forthcoming meeting and the alleged tension within the ruling Movement For a Democratic Slovakia (HZDS, of which he is the chairman) caused by different views on economic developments. This all has been thought out, Meciar said.

He said the meeting of government members had been prepared for a month. The government will use it to normally, freely discuss issues which it usually does not manage to speak about due to lack of time, including personal and working topics, Meciar explained. He characterised the forthcoming talks as a one-day social and working event without any agenda scheduled in advance. We will have nothing to tell journalists, he stressed.

Meciar categorically dismissed the speculations on the impending HZDS breakdown. There will be no breakdown of the movement, he declared. He said that a possible attempt to separate Meciar from the movement HZDS could not succeed, calling this an immoral demand. He also dismissed any possible collapse of the HZDS parliamentary group.

If the question of power is reintroduced, it will be settled by citizens and not by any backstage parliamentary intrigues, Meciar concluded.

## Moravcik on Filkus' Expulsion From HZDS

*AU2909152393 Bratislava NARODNA OBRODA in Slovak 24 Sep 93 pp 1, 2*

[Interview with Foreign Minister Jozef Moravcik by Julius Gembicky: "I Do Not Agree With the Expulsion!"]

[Text] Bratislava. The district presidium of the For a Democratic Slovakia Movement [HZDS] in Bratislava I has unanimously decided to expel Rudolf Filkus from the HZDS.

After his resignation as ambassador to Austria, Rudolf Filkus will, by agreement, end his term there early—probably by the end of October. NARODNA OBRODA asked Foreign Minister Jozef Moravcik—Filkus's immediate chief—for his opinion on the matter.

[Gembicky] When the government was voting on the motion of confidence in Filkus, you voted for his dismissal. Despite this, you considered the possibility of hiring him as your personal adviser. How are we to understand these contradicting standpoints? What do you think of the HZDS district presidium's decision to expel him from the HZDS?

[Moravcik] We must not confuse the two things, because they are separate. Political matters are one thing, while work-related matters are another. Membership of the HZDS is a purely political matter. I was personally somewhat disappointed at the decision, since I am convinced that there were no circumstances that would give grounds for Mr. Filkus's expulsion. Such steps may lead to radicalization, which could send the HZDS to the fringe of the political scene.

[Gembicky] Do you agree, then, with the opinion that Filkus grossly violated the interests of the HZDS with the statements that he made, and therefore lost the confidence of the district presidium?

[Moravcik] No, I do not agree. However, I do disagree with the steps taken by Mr. Filkus as a diplomat. I have publicly expressed this view several times. In his case, he did violate diplomatic principles, but this cannot be a reason to expel him from the HZDS. By being critical, Mr. Filkus did not violate the HZDS program.

[Gembicky] What statements or specific declarations did he make as Slovak ambassador to Austria that violated HZDS interests?

[Moravcik] As I said, we must distinguish two things: His specific actions as a diplomat and the political evaluation of his activity. In the political evaluation, we must take into account his actions and behavior. Diplomatically, we must also consider the form of those actions and behavior. Mr. Filkus has, first and foremost, violated the form that diplomatic statements usually take. However, as for the content of his statements, I do not believe that he violated the interests of the HZDS.

[Gembicky] How do foreign countries view this radical decision by the HZDS regarding Filkus?

[Moravcik] I cannot judge this. On the other hand, I must say that, by his statements, Filkus has done no good service to Slovak interests abroad. This has to be admitted objectively. However, I believe that the HZDS, as a movement encompassing a wide spectrum of people, must provide room for discussion and the exchange of opinions.

[Gembicky] Is it possible that, after what you have said, you could become a "persona non grata," or an inconvenient person, not only as foreign minister, but also in the eyes of the HZDS presidium?

[Moravcik] This is not important now.

[Gembicky] Could you not have expressed your support for Filkus before he was dismissed as ambassador?

[Moravcik] I really do not have any comments for the time being.

[Gembicky] Has Filkus become unacceptable to all of the HZDS, or only to the district presidium in Bratislava 1? Does the leader of the movement, Vladimir Meciar, agree with the expulsion?

[Moravcik] I repeat, I agree with Filkus's dismissal. I was convinced that it was right. He really has violated certain rules that are usual in diplomacy. As regards his expulsion, this was decided by the district presidium. This means that the other bodies of the HZDS have expressed no opinion on the matter. I have no right to speak for others.

### Russian Ambassador on Yeltsin's Decree, Aftermath

*AU2909200393 Bratislava PRAVDA in Slovak 24 Sep 93 p 12*

[Report by "ta, jl, od": "At the Russian Embassy"]

[Text] Bratislava—Yesterday, Russian Ambassador to Slovakia Sergey Yastrzhembskiy held a press conference. In his opening speech, he praised the stand of Slovak President Michal Kovac and Foreign Minister Jozef Moravcik, who "supported Yeltsin's measures to maintain a democratization course." He described life in Russia as normal. There is no anxiety even among the Army troops that stay in the barracks. He described the demands for new presidential elections as groundless, because President Boris Yeltsin was confirmed in his post by two elections—most recently in the general referendum. The Russian ambassador then answered, among other things, two questions from PRAVDA:

[PRAVDA] On what grounds could the current developments in Russia be compared with the coup attempt in August 1991?

[Yastrzhembskiy] These events have nothing in common. Their causes are diametrically opposite. The goal of the August coup leaders was to stop the democratic changes, reinforce the empire of the disintegrating Soviet Union and its influence on international relations, remove the reform forces from the government, and prevent the market economy. Today, the goals of Boris Yeltsin are altogether different: They are to protect the democratization process against several hundred people who became the stronghold of conservative mentality and communist, imperial, and nationalist- patriotic views on the development of Russia, who used any means they could to prevent the implementation of the market reforms and the drafting of a democratic constitution.

[PRAVDA] Is it not true that the controversial reactions to Yeltsin's decree—in Italy, for instance, some newspapers described it as "anti-constitutional"—result from the fact that, so far, Russia has not adopted a new constitution?

[Yastrzhembskiy] The existence of a democratic constitution would definitely prevent such a course of events. The fact that we do not have a new constitution is not the fault of President Yeltsin and the Russian society, but rather their misfortune. So far, we only have the "old jacket," a constitution that consists of the leftovers of the Soviet constitution and 300 amendments approved under various circumstances by the Supreme Soviet sessions. Moreover, the Constitution and the amendments to it occasionally contradict one another. It is virtually impossible to live with such a constitution. The constitutional process has been paralyzed for a long time, frozen by the endeavors of the former parliament, which did not show any interest in reaching a compromise with the government and completing the constitutional process, then eventually organizing new elections on that basis. The fear of new elections was the main thing that motivated the activity of the former parliament, because most of those people did not have a chance of reelection into the new parliament. The population is well aware of this.

### Bank Official Describes Foreign Currency Reserves

*AU2909200093 Bratislava REPUBLIKA in Slovak 24 Sep 93 p 2*

[TA SR report: "No Threat of Collapse"]

[Text] Banska Bystrica—In the coming days, weeks, and probably months, no substantial change should occur in the exchange rate of the Slovak koruna. Marian Tkac, vice governor of the Slovak National Bank, assured reporters of this yesterday. At this time, the Slovak National Bank reserves—excluding gold—total approximately $540 million and the commercial banks' foreign currency reserves reached $1.2 billion. He described this level of reserves as good.

According to Tkac, Slovakia is not threatened by an economic collapse. Among the postcommunist states, it has one of the lowest per capita debts and is one of the most oriented toward Western markets. He emphasized, however, that there is no cause for excessive optimism, either.

"I believe that the currency policy we adopted on 1 January, and possibly other measures that were not initiated by the bank, could contribute to a certain recovery of the Slovak economy within a certain period of time," Tkac said.

### SNS Chairman Cernak Views State Interests

*AU2909143193 Bratislava SLOVENSKY DENNIK in Slovak 23 Sep 93 p 3*

[Interview with Slovak National Party Chairman Ludovit Cernak by Boris Tytykalo; place and date not given: "Slovakia—A Country of Politicians Engaged in Disputes"]

[Text] The acceptance of the definition of the Slovak Republic's state interests, as proposed by A. M. Huska, is the subject of our interview with Slovak National Party [SNS] Chairman Ludovit Cernak.

[Tytykalo] What do you think of the proposal to ban certain political values from the political struggle?

[Cernak] It is very unusual, and it is difficult to find any logic in it. I can see a certain justification for Huska's step in that he may be the deputy chairman of the victorious movement, but he is not so strong politically as to be able, within his own movement, to push through concepts that are quite usual everywhere in the world, and that are appreciated there. This is why he tried out this untypical form. It is quite usual to speak about the state interests of our republic. That is the task of the victorious movement that has implemented Slovak National Party interests and established an independent Slovak Republic. It is not unusual to define basic values in political life and the political structure that should not be a subject of political struggle. The goal of every political party is to be able to say something meaningful to the largest possible number of voters, and that is why this party cannot question certain basic values.

[Tytykalo] The first subject that should be banned from the political struggle is the protection of Slovak statehood and Slovakia's integrity. What does the word integrity mean to you? Do you think the Hungarian and other parties are against the integrity of Slovakia?

[Cernak] I do not want to sound as if I am criticizing existing government policy, but I would like to say that the fact that we are not able to present a specific program for ethnic policy—a program that would be accepted by all of Europe—makes the political parties engage in discussions about something that should not be a subject for discussion. It is likely that in a very short time we will present our ethnic policy proposals that will meet the European standard. This policy should declare a moratorium on any increase in tension, be it by the Hungarian political parties, or the Slovak ones, and it should define a specific course of action to remove this tension completely. We can never turn a Hungarian into a Slovak, but we can make a loyal citizen out of him. It makes no sense to argue over [bilingual] traffic signs when these are quite common in Europe. On the other hand, we must push for measures that will enable our citizens of Hungarian origin to become fully integrated into the life of the Slovak Republic. The Hungarian citizen will become a fully fledged citizen of the Slovak Republic only if he can assert himself not only in Komarno, but also in Zilina and Ruzomberok. There are several alternatives to the education system. Hungarian politicians condemn them all without explaining to their voters how they work.

[Tytykalo] One of the issues is how to understand the ethnic specifics of the rich and still expanding Slovak cultural life. The media recently reported that Mr. Meciar spoke in an inappropriate manner about the Romany minority. How does this tie in with what is happening in Slovakia?

[Cernak] I do not want to comment on this, since there are many people on the Slovak political scene who do not practice what they preach. This is a basic tenet of political culture—a tenet of which all the politicians are aware, beginning with the politicians at regional level. According to this tenet, politicians in the posts to which they were elected should represent the interests of the electorate. The higher a politician goes, the more careful he should be about what he is saying and the way that he formulates things. He should not take the opportunity to increase his own popularity, but should be aware that Slovakia is being viewed by others from a different perspective from ours. It is not difficult to speak without a prepared text, but it is difficult to say something that one can stand up for.

[Tytykalo] One of the points in Huska's proposal is that spiritual education should be built on the traditions of Cyril and Methodius. What do you understand by this?

[Cernak] All these points mean making virtue out of necessity. They are well written linguistically, but they have no real meaning. This particular point is respected by the political party that had it in its political program. To stress it, or to ban it from the political struggle, is unnecessary.

[Tytykalo] The last point in the proposal is about supporting the good reputation of Slovakia abroad. What is your opinion about the establishment of Slovakia's good or bad reputation in the world?

[Cernak] The best sign to foreign countries that Slovakia is on the road to a market economy would be to find the political will and be able to reach agreement on cooperation. Actions to support state interests would then become unnecessary, and we would not sound ridiculous. We must reach consensus, since Mr. Huska also has hard feelings because people abroad view Slovakia as a country where politicians are engaged in disputes. This time, the Hungarian parties have opted for an untypical course of action, since they have bypassed all the possible practices and addressed bodies that failed to satisfy them in the past. Declarations by politicians are taken abroad at their face value. We do not have to conclude a treaty at home so that we can behave differently abroad. We simply have to realize that Slovakia is part of Europe, and is an equal partner in the Visegrad Four. It is completely unnecessary to create problems like the ones with Trnava University, SMENA, and others. Reports on these problems went all over the world and cast a slur on the work of millions of people. It is also unnecessary to describe some reporters as good and others bad, and use certain means to try to make them write what we want. We have to find out what separates us, and what unites us. We must fully respect the

freedom of the press and freedom of expression, and show Slovakia in the very light that Mr. Huska wants it to be seen in.

[Tytykalo] The proposal is meant to be an arm outstretched toward other parliamentary and extra-parliamentary parties. The talks between the Slovak National Party and the For a Democratic Slovakia Movement did not turn out well. What is your view of this?

[Cernak] The proposal is only a symbolic gesture, since the For a Democratic Slovakia Movement has every opportunity to resolve the situation in Slovakia, stabilize it, and cease perceiving the political scene as being confrontational. You, too, have said that our political talks have failed. We halted the talks when it became patently obvious that our partner was saying one thing and doing something else. We knew without any doubt that the talks were being drawn out, and that people were dissatisfied and waiting for some result. We did not continue in a confrontational way, but simply said that we considered the talks to be over. The fact that some of the For a Democratic Slovakia Movement politicians are inclined to hold out a helping hand, and others want to show a strong fist—smashing everything that is against them and everyone who has a different opinion—illustrates the way that the For a Democratic Slovakia Movement members described the talks, and the way in which they tried to cast doubts on their partner on the Slovak political scene.

[Tytykalo] The first autumn meeting of the National Council of the Slovak Republic was held yesterday. The For a Democratic Slovakia Movement will present laws to be applied in the social sphere, but the government is in a minority. What effect will this have on developments in parliament and on the debate?

[Cernak] Since we had to tackle large packages of bills and because of the artificially extended agenda of parliament, we have not had a political debate in parliament for about six months. I assume that this session will open a political debate and the political parties will evaluate the activity of the minority government on the Slovak political scene, either from the political viewpoint—since a minority government itself is an indication of political instability—or the government will be criticized for its inability to establish a wider political coalition with some of the partners in order to stabilize the political scene. I assume that in the debate they will mostly discuss specific problems. The government cannot constantly be fighting for its existence and trying to secure its survival between parliamentary meetings. This is the wrong interpretation of political responsibility. It means limiting oneself to the political issue of power, while the second—and, in my opinion, much more important—component of political responsibility is missing: the political responsibility for decisions and a responsibility toward the electorate and all the people. This is why something positive for the people can be done not by sticking to power, but by implementing a positive policy. This is the way the government should go. Then the government could count on having a peaceful debate in parliament and on specific problems being solved by discussion. This is the road our political party wants to take. During our talks with the For a Democratic Slovakia Movement we paid much attention to specific problems and concepts. At the meeting of the presidium in Krtis on Saturday, 11 September, we approved individual steps that we are going to push for in the spheres of privatization, private enterprise, tourism, people's security, support for young families, etc. We have drafted specific proposals. Parliament's policy will depend on whether parliament will be able to assume responsibility for the development of all spheres in Slovakia, and whether it will be able to draw the right conclusions. The package of bills related to the social sphere that is due to be debated in parliament testifies to the fact that the ruling movement has not discussed all its aspects with the IMF. After all, the IMF does not want to oppress our pensioners or families with small children. The IMF is of the opinion that we should save some expenditure from the state budget to achieve a certain balance, that is, the smallest possible difference between income and expenditure. We are prepared to support this law, which provides a better redistribution of unemployment benefits, but we reject laws that are to the detriment of the weakest sections of the population. We are not going to act in a destructive manner. We have drafted documents in which we say how we should go about this.

[Tytykalo] So what will the Slovak National Party's further course of action be?

[Cernak] At a meeting of its presidium, the Slovak National Party will evaluate developments on the Slovak domestic scene, and adopt certain conclusions. In our opinion, the fact that the government is in a minority hints at instability. Either the ruling party is able to form a coalition, albeit a silent one, with some of the political partners—in which case we will support it, since the coalition partner would assume responsibility for the developments—or we will search for steps that will create an acceptable alternative for Slovak policy.

## Economic Statistics for First Half of 1993

*AU2909131293 Bratislava HOSPODARSKE NOVINY in Slovak 3 Sep 93 p 9*

["Second installment" of the Statistical Office report: "Regarding Development in the Slovak National Economy in the First Half of 1993 and a Forecast for Some of the Results in the Second Half of 1993"]

[Text]

### Demand on Principal Markets

The development of the consumer market in the first half of the year was inconsistent. After declining 11.7 percent in the first quarter, compared with the fourth quarter of 1992 (which saw a decline due to seasonal

variations in December)—the average daily sales of goods and services rose 22.2 percent in the second quarter, compared with the first quarter (while in June there was a decline).

The physical volume of retail turnover has undergone similar development. After declining 20.7 percent in the first quarter of 1993, compared with the fourth quarter of 1992, this volume surpassed the level of the first quarter by 16.2 percent.

The overall volume of retail turnover and sales (without selected services) reached, in current prices, 45.9 billion Slovak korunas [Sk] in the second quarter, and was 18.9 percent higher than in the first quarter.

Retail turnover and sales expressed in current prices reached Sk84.6 billion in the first half of the year, and rose 2.4 percent compared with the second half of 1992. In actual prices, this figure declined 1 percent (compared with the same period last year, the volume of retail turnover and sales rose 25.4 percent as expressed in current prices, and 4.8 percent in actual prices).

Within the first five months, goods worth Sk59 billion were exported from the Slovak Republic to foreign markets. Of this, the largest amount, 42.8 percent, was exported to the Czech Republic, and to Germany 14.1 percent, countries of the former USSR 9 percent, Hungary 5 percent, and Austria 4.9 percent.

Compared with the same period last year, the volume of exports (not including exports to the Czech Republic) declined 9 percent[1].

Goods worth Sk56.1 billion were imported into the Slovak Republic. Of this, the largest amount, 35.6 percent, was imported from the Czech Republic, 25.5 percent from the former USSR—of this, 22.5 percent from Russia— 10 percent from Germany, and 6.6 percent from Austria.

The volume of imports in the first five months (excluding the Czech Republic) increased 12 percent compared with the same period last year.

The volume of exports surpassed overall imports amounting to Sk2.9 billion o.p. [expansion unknown], resulting in a foreign trade surplus over these five months. The largest surplus, amounting to Sk5.3 billion, was achieved in trade with the Czech Republic, Sk2.7 billion with Germany, and Sk2.3 billion with Hungary. There was a surplus of Sk8 billion in trade with countries of the Visegrad Four, and Sk2.8 billion in trade with the EC countries.

The largest trade deficit, Sk9 billion, was in trade with the former USSR, Sk0.8 billion with Austria, and Sk0.2 billion with the United States. There was a deficit of Sk1.8 billion in trade with countries of the European Free Trade Association.

In trade relations with the Czech Republic, the most important commodities over the first five months of the year were motor driven vehicles for freight transportation and passenger transportation, rolling stands and mills, profiled iron and steel (including seamless tubes), iron and plain steel rods, hot-rolled iron and plain steel bars and rods, rolled flat products from iron and steel, cotton products, tires, medical drugs in retail packaging, electrical energy, coke, low-temperature coke, brown coal (including sintering coal), bituminous coal, coal pellets, malt beer, chocolate and other alimentary semi-products, cocoa, and thickened sweet cream.

Exports to the Czech Republic from the Slovak Republic consisted mainly of motor vehicles for freight transportation, television sets (including combined sets), transformers, static inductors, ball bearings, home washing machines (including dryers), refrigerators, freezers, water-steam generators, rolled flat iron and steel products, iron and steel semi-products, tires, mineral (nitrogen-containing) manure, medical drugs in retail packaging, chocolate, and other alimentary products containing cocoa.

In the overall trade of the Slovak Republic, the most frequently imported goods were, over the first five months, mineral fuel, nuclear reactors, boilers, electronic sound and video recorders, iron and steel products, motor vehicles, tractors, motorcycles and accessories, plastics and products thereof, steel and iron, organic and chemical products, pharmaceutical products, optical appliances, photographic accessories, measuring devices, and devices used to handle medical drugs.

The most frequently exported goods from the Slovak Republic were iron and steel, nuclear reactors, boilers, machines, devices and their spare parts, motor vehicles, tractors, motorcycles and accessories, iron and steel products, mineral fuel, mineral oils, bitumen products, wax, plastics and products thereof, synthetic or artificial silk, paper, cardboard, furniture, linen, lamps, and prefabricated buildings.

On the labor market, supply and unemployment increased in June owing to the fact that school graduates had completed their studies. In the second quarter, there were, on average, 1,959,500 people employed in the national economy of the Slovak Republic, 1.4 percent more then in the first quarter.

Compared with the first quarter, labor demand increased most in small enterprises and cooperatives employing fewer than 24 people, by 194.1 percent, and 43.5 percent in small private companies (including private businessmen). There also was a higher demand for labor in the forest industry, 28.6 percent; in the finance and insurance sector, 14.4 percent; in communications, 0.4 percent. Compared with the first quarter, labor demand declined 3.9 percent in agriculture (including agricultural cooperatives), 3.6 percent in science and research, 2 percent in trade, 1.5 in transportation and industry, 1.2 percent in the budgetary sphere, 0.7 percent in the construction industry, and 0.5 percent in services.

In the first half of the year, the Slovak Republic national economy on average employed 1,949,900 people, which was 4.3 percent less than in the second half of the year of 1992 (0.6 percent less compared with the same period last year).

Lower labor demand resulted in higher unemployment, which, according to statistics compiled by the Slovak Republic Statistical Office, comprised 296,100 people. The unemployment rate of 11.9 percent stayed at approximately the same level of the first quarter. The number of unplaced school graduates and dropouts is not fully included in these results[2].

Of the overall number of unemployed, the largest percentage falls among people aged between 25 and 49 (58.3 percent) and between 15 and 24 (34.1 percent).

Long-term unemployed (for more than a year) made up 32.56 percent of the overall figure.

Demand for material [hmotny] investments reached Sk21.6 billion in the second quarter, which was Sk6.8 billion more than in the first quarter, or 46.3 percent.

In the first quarter, the volume of material investment reached Sk36.3 billion, which was, compared with the second half of the year, a decline of 32.7 percent (1 percent less than in the first half of the year). (The Statistical Office of the Slovak Republic estimates that the volume of investments—in 1993 prices—declined 38.4 percent compared with the second half of 1992, and 15.9 percent compared with the same period last year).

Among investments in the first half of 1993, machines and equipment received 47.5 percent, increasing 2.8 points compared with the same period last year. Construction projects received 45.1 percent, and the remaining 7.4 percent were other investments. Compared with the first quarter of 1993 (after correction for price changes), investments rose 35.7 percent. Apart from material investments, Sk1.6 billion were spent on non-material investments.

A total of 67.2 percent of both material and non-material investments were made from investors' own resources. A total of 12.4 percent of investments were covered from obtained credits, 10.8 percent were financed from the state budget, and 6.5 percent from other sources. The remaining 3.1 percent were from foreign resources. A total of 8.3 percent of the total volume of material investments were spent on environmental protection (Sk3 billion).

The private sector contributed Sk6.8 billion, or 18.8 percent, to the overall investment demand. Compared with the same period last year, this figure rose 6.4 points. Since the beginning of the year, construction licensing offices have issued 10,922 building permits, including 1,647 for apartment buildings.

**Development in the Financial Sector**

The credit situation changed in the first quarter. While in the first quarter the volume of credits remained unchanged, compared with the situation at the beginning of the year, since April it has been increasing gradually. The more favorable situation at the Vseobecna Uverova Banka [General Credit Bank] made this possible.

As of 30 June 1993, financial institutions had provided credits totaling Sk246.4 billion to the entrepreneurial and public sector (of this, Sk18.8 billion, that is, 7.6 percent, were credits granted to individuals), which is, compared with the situation on 31 March 1993, an increase of Sk10.4 billion (4.4 percent).

The increase in the volume of credits in the first half of the year equals the increase in the second quarter (Sk10.4 billion, or 4.4 percent).

The volume of credits granted to the private sector (including cooperatives and tradesmen) has been gradually increasing, reaching a overall increase of Sk13.5 billion (17 percent) on 30 June 1993, compared with the beginning of the year.

On 30 June 1993, the volume of credits granted to the state-owned entrepreneurial sector was Sk3.2 billion (2.5 percentless), compared with the beginning of the year. This decline eased by Sk4.5 billion in the second quarter.

Koruna deposits in financial institutions made by private individuals and organizations on 30 June 1993 amounted to Sk187.7 billion, an increase, compared with the level at the end of the first quarter, of Sk0.2 billion. Compared with the situation at the beginning of the year, they had declined Sk0.9 billion.

This was mainly due to smaller deposits by government sector organizations that are not financed from the budget, organizations originally belonging to the federal sector, and the people.

Compared with the end of the first quarter, the volume of deposits made by the entrepreneurial sector increased Sk10.7 billion (Sk2.1 billion from the beginning of the year), and deposits made by individuals declined Sk2.5 billion (since the beginning of the year it rose by Sk5.1 billion).

As of 31 May, foreign currency accounts deposits had reached Sk19 billion, Slovak korunas, and, compared with the level at the end of 1992, they were Sk5.8 billion higher. Of this, Sk2.4 billion were deposits made by organizations, and Sk3.4 billion by private individuals.

The state budget hit a deficit of Sk14.8 billion at the end of June (there was a deficit of Sk11 billion at the end of March). The deficit was caused by the fact that income amounting to Sk13.9 billion had not materialized, and expenditures were Sk0.9 billion higher.

Income into the state budget reached Sk65.2 billion, which is 41.2 percent of the yearly budget. The income

side of the budget was negatively influenced by lesser amounts collected from taxes (with the exception of income taxes of people in dependable employment) and lower contributions from insurance funds.

Spending reached Sk80 billion, which is 50.6 percent of the yearly budget. This volume has been affected chiefly by the repayment of interest on the debt incurred by the budget's current economy and owed to the Slovenska Narodna Banka [Slovak National Bank]; by the unpaid deficits of 1991 and 1992; and by interest paid on state-issued financial instruments.

The financial situation of economic entities employing 25 and more people has, according to the quarterly results, deteriorated against the comparable period last year (it has improved compared with the fourth quarter of 1992, which is, however, a consequence of methodical, organizational, and price factors). The volume of profits amounting to Sk3,624 billion was 3 percent lower in current prices (after correcting for the 15.2-percent price increase), and costs rose 17.4 percent (after subtracting 2.5 percent as price factor), while the write-offs of both tangible and intangible [hmotny and nehmotny] property rose sharply, approximately by Sk2.5 billion (after the subtraction of price influences of Sk1.4 billion), and interest by 10.5 percent, that is, Sk0.5 billion (after the subtraction of price influence amounting to Sk0.2 billion, that is, 3.5 percent).

Organizations made a profit of Sk13.5 billion in the first quarter, and incurred losses of Sk9.9 billion, which reduced the overall profit 73 percent.

Tangible and intangible property rose Sk2.5 billion in the first quarter, and totaled Sk931.3 billion.

Obligations by organizations reached Sk345.1 billion, and compared with the situation at the beginning of the year, were Sk8.5 billion higher, that is, 2.5 percent higher.

Sales profits by Small enterprises reached Sk1.5 billion, which is roughly twice as much as in the comparable period last year (after correcting for the growth of prices, this figure is only 96 percent).

**Final Consumption in Households**

The development of the final consumption in households was affected by several factors.

In the second quarter the nominal income reached Sk56.6 billion, which is 3 percent more than in the first quarter. The largest increase, 30.9 percent, was recorded in social income. Income from wages rose 1.6 percent. Other income of the population and income from agriculture declined 6.3 percent. The share of employment income in overall income declined 0.9 points, to 51.1 percent, and other income by 4.6 points, to 23 percent. The share of social income rose 5.5 percent, to 25.9 percent.

Owing to the lack of loans of a social nature, the volume of loans provided to the public declined Sk1 billion (5.1 percent), against the level at the beginning of this year.

According to preliminary results, the average monthly wage per worker in the Slovak Republic increased in the second quarter, compared with the first quarter, by 9.4 percent, and reached Sk5,095 (excluding employees in the private sector).

During the second quarter, the higher increase of 23.2 percent in the monthly salary was recorded in the finance and insurance sector, reaching Sk10,426, in communications 18.5 percent (Sk5,482), in construction 16 percent (Sk5,308), and in industry 11.7 percent (Sk5,363). In the budgetary sphere, average wages rose 2 percent and reached Sk4,817.

From the results of the selective finding [vyberove zjistovanie] it ensues that in the second quarter 57.7 percent of employees were earning Sk4,000 or less, 17.2 percent were earning between Sk4,001 and Sk5,000, 17.1 percent were earning between Sk6,001 and 12,000, and 0.5 percent were earning over Sk12,000. These figures indicate that the percentage of employees earning less than Sk4,000 declined, while those earning between Sk4,001 and Sk10,000 increased.

In the first half of the year, the monthly average nominal wage of the employees in the Slovak Republic national economy (including cooperatives) reached Sk4,874, and was Sk20 higher compared with the second half of 1992, or 0.4 percent (it rose Sk769, or 18.7 percent, compared with the first half of 1992).

After compensating for the trend in the cost of living in December 1992, real wages declined 2.1 percent in the first half of the year, compared to the average in 1992 (it was 1.6 percent lower compared with the first half of 1992).

In the first half of the year, the nominal value of the population's income reaches Sk111.5 billion. Against the second half of 1992, its nominal value declined 6.6 percent, and the real value declined 15.9 percent (11 percent after compensating for the increased cost of living, compared to December 1992). Compared with the same period last year, nominal income rose 17.6 percent, and real income declined 2.5 percent.

Spending by the population, in the second half of the year reached Sk54.7 billion, and compared with the first quarter, declined 7.2 percent. The development was affected by the 38.5-percent decline in financial spending. Spending on goods was 4 percent higher, and services 19.8 percent. According to breakdown, spending on goods rose 6.8 percent to 63.6 percent of overall spending, and services by 3.6 percent to 15.9 percent. The share of financial spending declined by 10.4 points, to 20.5 percent. [figures as published]

In the first half of the year, financial spending totaled Sk113.6 billion, representing a decline of 2.5 percent

against the second half of the year 1992 (it rose 25.2 percent compared with the same period last year).

The growth in the cost of living due to increased consumer prices has gradually eased over the first half of the year. In the second quarter, compared with the first quarter, the cost of living rose 2.5 percent on average in all social groups (11 percent in the first quarter, compared with the fourth quarter of 1992), while it rose 2.6 percent in families of employees 2.8 percent in that of farmers, and 1.9 percent pensioners.

In all social groups, the cost of food on average rose 8.6 percent in the second quarter, compared with December 1992 (9.4 percent in the first quarter). The cost of beverages increased 17.9 percent (16.3 percent in the first quarter), non-food products 12.6 percent (8.3 percent in the first quarter), and services 16.8 percent (10.9 percent in the first quarter).

In the first half of the year, the cost of living in all social groups increased 11 percent compared with December 1992 (20.6 percent against the same period last year), 11.2 percent in families of employees, 11.1 percent in families of farmers, and 9.9 in families of pensioners.

According to preliminary results based on family accounts [as published], the net nominal monthly income in households per member of the family reached Sk2,800 and rose 2.7 percent, compared with the first quarter. Spending on goods and services in the second quarter reached Sk2,170, and was 1.5 percent higher against the first quarter. Spending on food, beverages, and public catering rose 0.8 percent, on services 7 percent, and within this category spending on housing rose 6.4 percent. Spending on the purchases of industrial products declined 1.3 percent.

As regards social income, in the second quarter, Sk15 billion were paid out, which was 26.2 percent more compared with the first quarter. The volume of pension incomes rose 37.2 percent, sickness insurance benefits 13.4 percent, welfare payments 20.9 percent, and financial support to registered job seekers 50.6 percent.

Within the first half of the year, pension incomes reached Sk16.9 billion, and, against the second half of 1992, rose 15.7 percent (26.1 percent compared with the same period last year). The average amount of old age pensions reached Sk2,413 in June, and was 3.6 percent higher compared with March (including the advance payment of Sk220 for March pensions). There was the same increase compared with December 1992. The real value declined 6.7 percent compared with December 1992 (14.8 percent against the same period last year). The amount of Sk6.8 billion was paid out in sickness benefits, which was 3.7 percent less than in the second half of 1992, (13.4 percent more was paid in the second quarter of 1993, compared with the first quarter). This development reflects an overall decline of 6.4 percent in the volume of financial support while on maternity leave, 12.6 percent in allocations for child birth, and 6.2 percent in allocations to parents. A total of 11.6 percent was paid in sickness benefits.

According to preliminary data compiled by the Slovak Republic Ministry of Labor, Social Affairs, and Family, unemployment benefits totaled the amount of Sk862 billion, and were 1.9 percent lower in the first quarter than in the second quarter (10.5 percent in the second quarter of 1993, compared with the first quarter).

In financial support, there were Sk792 billion paid out in the first half of the year, which is 1.9 percent more compared with the second half of the year (50.6 percent in the second quarter against the first quarter).

In the first quarter, there were 7,009 apartments approved for occupancy, which is 4,329 fewer apartments (38.2 percent) than in the second half of the year. The largest decline, 50.9 percent, was seen in cooperative housing. The number of unfinished starts in individual housing construction was 37 percent lower, and 7.8 percent in communal construction.

There were 2,170 housing starts, which is a decline of 47.4 percent compared to the second half of the year. The major part of them (81.7 percent) are unfinished starts in individual housing.

In health care prevention establishments, the number of beds declined 377 beds in the first half of the year—compared with the level at the end of 1992—to the total of 61,196. The number of doctor's positions declined 455, reaching 16,964.

On 1 July 1993, the Slovak Republic had 5,316,900 inhabitants, of whom 51.2 percent were women.

In the first half of 1993, 36,800 children were born in the Slovak Republic and 27,400 people died. Compared with the second half of 1992, the number of newly born children declined by 700, and the number of deceased people increased by 1,000. The number of newly born children, 14 children per 1,000 inhabitants, has not changed compared with 1992. The number of deceased people per 1,000 inhabitants increased 0.5 percent, reaching 10.4 people.

There were 15,400 marriages solemnized, which is 3,100 fewer marriages, and 4,100 marriages have ended in divorce, which is 200 more than in the second half of 1992.

The natural increment of the population declined 1,700 in the first half of 1993, against the second half of 1992, dropping to 9,400 people.

The number of immigrants, 5,900 people, increased compared with the second half of 1992 by 1,200, and the number of people who emigrated, 6,300, declined by 1,500.

The overall increment per 1,000 inhabitants in the first half of 1993 reached 3.4 people, and 2.9 people in the second half of the year.

**Footnotes:**

1. Data on trade with the Czech Republic have been subtracted from the 1993 results, since it is impossible to compare mutual transfers accomplished in 1992.

2. According to the Ministry of Labor, Social Affairs, and Family, the unemployment rate was 12.5 percent, and number of unemployed individuals reached 318,100.

## Paper Claims Toth, Others Embezzled $22 Million

*LD2809181593 Prague CTK in English 1336 GMT 28 Sep 93*

[Text] Bratislava, Sept 28 (CTK)—Slovak Finance Minister Julius Toth along with Czech intelligence agents grouped in VSZ Selecta Ltd., have deprived Slovakia's economy of about 22 million USD, the Slovak opposition daily "SME" wrote today.

Referring to an unnamed source, the paper said that in unblocking Slovak claims in India, sugar had been exported under a barter project, though the Slovak Government had not approved the inclusion of this commodity in the supplement to the trade agreement. The Finance Ministry charged the private company VSZ Selecta with the implementation of the whole deal, the paper says.

According to SME, the amount of 22 million USD remained in a foreign financial institute, honestly divided up and deposited on the accounts of Julius Toth - finance minister, Vladimir Masar - Slovak National Bank governor, Jaroslav Kubecka - economics minister, Milan Adamek - Slovak emigrant from the Vienna-based GTI company-administrator of the above-mentioned people's accounts just as of the undeclared accounts of Mr Slowik - VSZ Selecta director, and Mr Imre Farnbauer, the ringleader of the embezzlement project.

The paper writes that Farnbauer is a former agent of the now- disbanded State Police (STB), who worked under the assumed name of Andras, and a nomenklatura cadre of the Czechoslovak Communist Party Central Committee. He now works within the new Czech foreign service for the 'economic department', which collects information from circles close to the Slovak ruling Movement for a Democratic Slovakia HZDS, SME writes.

## Csurka Resolves To Continue Political Career

*AU2909121193 Budapest MAGYAR HIRLAP in Hungarian 25 Sep 93 p 9*

[Interview with Istvan Csurka, chairman of the Hungarian Way Circles Movement, by Dezso Pinter; place and date not given: "Today, the Forums of Democracy Are Only Stage Props"]

[Excerpts] [Passage omitted]

[Pinter] Many people assume—and they put it in writing—that in spite of the vehement clashes over the past few weeks, you expect that you can reenter the "club" of the Hungarian Democratic Forum [MDF] and other democratic parties. Do you really expect to be allowed in?

[Csurka] No. This club is a rather strange formation. With a lot of difficulty, it was possible to have me expelled from the MDF and banished to the fringes of the political spectrum by an external directive or in the interest of internal political pacts, but this is not a lasting state of affairs. The MDF has turned into a pseudo institution and the government can only maintain itself through much trickery and with the constant help of the opposition. Whether the opposition occasionally does not vote or it makes a point of being absent from important votes makes no difference. The results are important: The government is now being maintained by the opposition, mainly by the Alliance of Free Democrats [SZDSZ] and the Federation of Young Democrats [FIDESZ]. If the club you mentioned in your question begins to operate, it will be controlled by the SZDSZ and the FIDESZ, and the MDF will play a subordinate role. I am excluded from this club, although it is true that I am not trying to get in either.

[Pinter] Are there any in the MDF leadership who continue to have affinity with you?

[Csurka] Yes, there are people who feel as I do and who support me—if not in the top leadership then certainly among the members. However, they are mostly forced to express their sympathies in hidden corners because if they do so openly, they will have to leave their jobs or they will suffer other kinds of disadvantages. We, the members of the Hungarian Way Circles Movement and especially the deputies of the Hungarian Justice and Life Party, are being kept under observation with rather harsh methods, even by their police. [passage omitted]

[Pinter] What do you want to achieve through your political activities? What do you want to convince the Hungarians?

[Csurka] That they have a right to life, independence, and freedom, and that in the current distressing international situation they can only survive if they recognize their interests and insist on the assertion of these and if the Hungarian people do not become subservient to all kinds of alien—domestic and foreign—interests, do not submit themselves to others, and choose such leaders as will wholeheartedly support Hungarian interests regardless of whether they used to belong to the left or the right. I organized the Hungarian Way Circles Movement for this selection, which is developing very nicely and from which, during the shameful ratification of the Hungarian-Ukrainian basic agreement, the Hungarian Justice and Life Party arose. We would like to return to the MDF's original program, we would like to achieve justice in the change of ownership, we would like to provide more for restarting life and for supporting young people, and we would like a new state administration and, generally, a new nation policy.

[Pinter] Against whom do you personally wish to achieve all this?

[Csurka] Naturally, mainly against the parties that call themselves liberal but are not at all liberal but rather constituent elements in a power bloc. This is nothing other than a modernized version of the old nomenclature, which wants to keep Hungarian society in its current state and set it in concrete, and this state of affairs does not provide freedom or an opportunity for the huge masses to have a say. [passage omitted]

[Pinter] After your confession of the past was published, many people stated that you had ceased to exist for the future and had become politically completely weightless. How much have you experienced of this?

[Csurka] None. A person who has no political weight is not observed so closely and others are not afraid of him. It is those who have not yet given an account of their lives to the nation and those who think that they can shake off letters that talk about the past that are losing importance. I mean letters dealing with other people's pasts.

[Pinter] An earlier question might not have been fully answered: In terms of groups in society, who are your supporters?

[Csurka] We mainly rely on the strata that, at the time, used to support the MDF, namely the intelligentsia and middle classes of the provinces—these are people who have not yet failed and who are making huge efforts to preserve themselves. We are also supported by people who can be seen as references in furthering our cause. The structure of our supporting groups is similar in Budapest and in the big provincial cities. People who have already made their fortunes and who received their livelihood from the transitional power and parties. I am not supported by the various apparatuses and the former state party people, and those who tend toward the current liberal parties are considered to be our implacable foes. Unfortunately, our supporters are rather divided. The MDF, the Christian Democratic People's Party, and the Smallholders still hope for a faint support from these people and the National Democratic Alliance also wants to find supporters somewhere here. [passage omitted]

[Pinter] In your view, what is to come in the next few months in Hungary?

[Csurka] Chaos. Owing to the government's weakness and the prime minister's illness, some existing positions will have to be given up. Preparations for restoring the old conditions are already under way in the case of the land issue, church property, and educational matters. The scandals that have been unleashed are all meant to make it easier for those to take back the dues and rights from those deceived and humiliated Hungarian people who have been cheated of their money. Together with my supporters, we will try to prevent this.

[Pinter] What kind of methods do the Hungarian Way Circles Movement and the Hungarian Justice and Life Party wish to use in the political struggle?

[Csurka] Methods guaranteed by the Constitution and the support of devoted Hungarian people who are not afraid of taking risks. We are willing to ally ourselves with anyone who wants to support us.

[Pinter] Who do you expect to ally yourself with?

[Csurka] Obviously, in the current state of threats, everyone will say that no one will join an alliance with us. However, this is not what will happen. You will see. After the elections, in order to govern, an alliance will have to be created and we might not have a place in this. However, much depends on the number of mandates we will receive. As a matter of fact, rather than allies, I am seeking the confidence of the Hungarian people.

[Pinter] What kind of international system of relations helps you to achieve your goals?

[Csurka] In the past, I was able to rely on the same international system of relations that supported the MDF. The situation is different now. We can sense a rather encouraging interest shown toward myself and my supporters from a number of international directions.

[Pinter] What foreign forces do you mean?

[Csurka] I would complicate my life with unnecessary things if I gave you a concrete answer. Suffice it to say that I do not only have enemies in international politics. As a matter of fact, I have no doubt that if we perform adequately at the elections and show our force, then those participants on the international scene who now consider it important to condemn me will accept us among themselves regardless of the past.

[Pinter] Is there such an event or any kind of turn of events that would make you give up politics?

[Csurka] I would not give up the organization of the Hungarian Way Circles Movement by any means, and my friends would not allow this, anyway. Naturally, the election performance of the Hungarian Justice and Life Party will influence my political future. In addition to my enemies and opponents, some of my friends have also tried to convince me to give up politics and devote myself to writing. I cannot do this now because I can see what is happening in the country. My eyes are needed. No one should entertain the hope that I will retreat like a coward.

## FKgP, Market Party Form Parliamentary Group

*AU2809182893 Budapest NEPSZABADSAG in Hungarian 28 Sep 93 p 4*

[Unattributed report: "New Group in Parliament"]

[Text] A new parliamentary group was formed on 27 September called the Group of Deputies of the Smallholders' Party and the Market Party. Mrs. Nagy Agnes Maczo became the head of the new parliamentary group, with Istvan Balas and Sandor Gyorivanyi as deputies.

On behalf of the parliamentary deputies of the Independent Smallholders Party [FKgP] and the Hungarian Market Party, Agnes Maczo informed Parliament Chairman Gyorgy Szabad in a letter on 27 September that the representatives of the two parties formed a permanent parliamentary group to coordinate their parliamentary activity, in accordance with Paragraph 16 of the Parliament Statute. Members of the new parliamentary group are the following: Mrs Nagy Agnes Maczo, head of the group; Istvan Balas and Sandor Gyorivanyi, deputy heads; Istvan Halasz, Jozsef Istvan, Sandor Kavassy, Mrs Sandor Sumegi, Gyorgy Szilasy, Jozsef Torgyan, and Gyula Zacsek.

In their letter addressed to Gyorgy Szabad, the members of the new group asked for the creation of conditions for their activity.

Agnes Maczo told our reporters that the agreement between the two parties was exclusively a technical one, and a union between the two parties was not on the agenda. The creation of the new parliamentary group was justified by the fact that, according to Agnes Maczo, with the modification of the statute, the parliament wanted to bring the deputies into a situation in which they cannot speak.

## TV Leaks SLD Proposals for Cabinet Posts

*LD2909205093 Warsaw TVP Television Second Program Network in Polish 2000 GMT 29 Sep 93*

[From the "Panorama" newscast, relayed by Warsaw TV Polonia Network]

[Text] At the start of next week, the Democratic Left Alliance [SLD] will present to the president the program of the government coalition and appointment proposals. An SLD spokesman has said that the proposal presented to Lech Walesa yesterday is, I quote, a far-reaching one. The rest we will say in a private talk with the president. The most important things for the alliance now are experts' talks with the Polish Peasant Party [PSL] and the preparation of a program for the government coalition, SLD spokesman Zbigniew Siemiatkowski added.

[Unidentified correspondent] From well-informed sources we have discovered that the ministries in the new government are already allocated. The prime minister, according to our informants, will be [PSL Chairman] Waldemar Pawlak. The first deputy prime minister will be Jozef Oleksy, of the SLD. The second will be someone from the PSL. The PSL will also take over the Ministry of Agriculture and also the Ministry of Justice, the head of which is to be Aleksander Bentkowski, who was the minister in the government of Tadeusz Mazowiecki. The PSL also wants their man, Andrzej Micewski, to direct the Ministry of Foreign Affairs. Representatives of the SLD would prefer to see Krzysztof Skubiszewski in this post. The decisive voice in this matter will in any case belong to the president. The SLD would take the headship of the Office of the Council of Ministers, and the Ministries of Finance, Ownership Transformations, and Overseas Economic Cooperation. According to our informants it has been agreed that the speaker of the Sejm will be Wlodzimierz Cimoszewicz, the leader of the SLD. The leadership of the parliamentary faction of the left has been reserved for Aleksander Kwasniewski.

## SLD To Present Coalition Proposals 'Next Week'

*LD2909150893 Warsaw PAP in English 1434 GMT 29 Sep 93*

[Text] Warsaw, Sept. 29—The Democratic Left Alliance (SLD) will present a programme of the new ruling coalition and persons to the president early next week, Zbigniew Siemiatkowski, the SLD spokesman said on Wednesday [29 September]. He added that the Tuesday's answer to President Walesa's letter "is a far-reaching proposal" and "we will tell the rest during a personal discussion with the president."

The spokesman stressed that the talks of the SLD with the Polish Peasant Party (PSL) experts and drafting a programme of the ruling coalition are crucial for the SLD now.

Last Tuesday, in a letter to Lech Walesa, SLD leader Wlodzimierz Cimoszewicz did not name three SLD's candidates for a prime minister the president had asked for. He informed him of "initial agreements with the PSL which create every likelihood of forming a majority government coalition."

He asked for a meeting with Walesa to discuss the coalition but the presidential press office issued a statement saying that such a "meeting is necessary" but the president first wants to hear a response from the SLD to his request for a list of three candidates for a prime minister.

## OPZZ Not To Participate in SLD Government

*LD2909192793 Warsaw PAP in English 1637 GMT 29 Sep 93*

[Text] Warsaw, Sept. 29—The deputies of the all-Poland Alliance of Trade Unions (OPZZ) will not participate in the creation of a government formed by the Democratic Left Alliance (SLD) since this would contradict the OPZZ statutes, the OPZZ leader Ewa Spychalska said Wednesday [29 September]. According to Spychalska every government, including the one now being formed by the SLD, will always be a negotiating party for the union.

"This does not mean a split within the SLD as we are linked by the common programme," Spychalska told a press conference organized after Tuesday's meeting of the OPZZ presidium. In her opinion the OPZZ parliamentarians (61 deputies and 6 senators) grouped in the SLD are ready to support every initiative of the SLD that has been agreed in the common programme. However, she did not rule it out that OPZZ deputies may vote against proposals submitted by a government cocreated by the SLD if these proposals are contradictory to the union's goals.

"We do not intend to be an opposition faction within the SLD. The OPZZ wants to be a partner for every government and only developments will show whether we are for or against it," Spychalska stressed. She added that the OPZZ will not spread a protective umbrella over the ruling coalition that will include the SLD representatives.

Spychalska also declared that the OPZZ will see to it that a new government applies the principle of equality in its contacts with trade unions and stressed that the OPZZ will strive for a broad consultation of decisions concerning employees and their families. "We are ready to cooperate with every trade union," she said.

According to the OPZZ leader a draft charter of social welfare guarantees prepared by the union and the introduction of the pact on state entrprise, with some minor amendments, are the most urgent issues that should be discussed with a new government.

The OPZZ will also demand the introduction as of December 1 of this year of a systemic pay rise for the public sector employees. In the opinion of the OPZZ presidium this operation should not significantly exceed

the costs connected with the government-proposed increase of 200,000 zlotys in the monthly salaries of the public sector workers.

## Continuing Moves To Form Government Detailed

*WS2909154193 Warsaw RZECZPOSPOLITA in Polish 29 Sep 93 p 2*

[Report by Ma. S.: "UD-SLD Talks; Increasingly Greater Reserve"]

[Text] The Democratic Union [UD] does not accept the democratic rule, proposed by the Democratic Left Alliance [SLD], that the speaker of the Sejm should come from the largest group in parliament. At their Tuesday [28 September] meeting, SLD leaders did not try to talk with UD representatives about forming a government coalition.

As UD Chairman Tadeusz Mazowiecki informed journalists, the politicians agreed that the Presidium of the Sejm should consist of one speaker and three deputy speakers (there were five deputy speakers in the previous parliament). In line with this concept, seats on the Presidium should be filled by representatives of the four largest parliamentary groups: SLD, the Polish Peasant Party [PSL], UD, and the Union of Labor.

Despite encouragement from journalists, Mazowiecki did not want to say whom UD would support for the position of Sejm speaker. He only said that after the elections, PSL leaders did not contact UD about filling the position in the Sejm, or about forming a government.

To make the work in parliament more efficient, UD proposes limiting the number of Sejm committees; it also suggests that the positions of committee chairpersons be filled, in line, among other things, with the proportions expressed in the election returns. SLD supports both of these solutions.

It seems that Mazowiecki's reticence, as to which candidate UD would like to support for Sejm speaker, is the result of the lack of clarity of the political situation. So far, it has not been clear which parties are going to form the government or who will be the new prime minister. If the prime minister is Waldemar Pawlak, then UD will most certainly not support another PSL member as candidate for the post of the speaker. It is also possible that the configuration will be different and Mazowiecki will be the Sejm speaker (as proposed by Ryszard Bugaj).

On Saturday, there will be a session of the UD Council, the party's supreme authorities between party congresses. Most probably the party will not evaluate the election campaign yet, because Bronislaw Geremek, the chief of the party's election campaign, will be abroad at the time.

UD will, however, try to answer the following question: What next? Most UD leaders definitely support the idea of being in the opposition. Even if the prime minister were PSL President Waldemar Pawlak. The desire to "rest from governing" will probably be stronger than being accustomed to power. However, this cannot be definitely decided today, because so far no one has officially proposed that UD take part in forming the government.

## Politicians on Walesa Comment on 'Yeltsin's Option'

*WS2909152293 Warsaw RZECZPOSPOLITA in Polish 29 Sep 93 pp 1, 2*

[Report by Bernadeta Waszkielewicz and Pawel Reszka: "Metaphor or Warning: Walesa Just Like Yeltsin"]

[Text] President Walesa said in an interview with the WPROST weekly that he would not allow anyone to stop reforms, even if he "were forced to employ Yeltsin's option." The President's Press Office declined to issue any comments on this matter until the text of the entire interview was published. It was only just revealed that Presidential Spokesman Andrzej Drzycimski "deliberately" selected this fragment of Walesa's statement.

Some politicians are worried by the president's words. However, most of them...

### Look Upon It As a Slip of the Tongue

"The president speaks fast and so it may have been a slip of the tongue," said Ryszard Bugaj of Union of Labor. "If not, then his words clearly hint that the Constitution may be breached."

"The president expresses himself so unclearly and his thoughts are often so far ahead, that actions simply cannot follow him quickly enough. I believe that this is one such statement," said Jan Litynski of the Democratic Union.

"This is a political metaphor. The situation in Poland is quite different from that in Russia," commented Tadeusz Mazowiecki.

A similar sentiment was expressed by Krzysztof Bialowolski, plenipotentiary of the Non-Party Bloc in Support of Reforms [BBWR].

"This comparison is not the best possible one," said Zbigniew Siemiatkowski, spokesman for the Democratic Left Alliance. "Our president and our parliament have been elected in free, democratic elections. In Russia, the president has been elected in free elections, but not the parliament; it reflects an entirely different reality."

### The Greatest Democrat

"I am the greatest democrat," said President Lech Walesa in an interview with the Polish Press Agency in early September. In several other statements, the president mentioned that he had prepared an option for overcoming a situation that could jeopardize reforms.

"If I have to be the leader, then let it be," "I will not set the Polish home on fire," "I have the situation under control," "I will react if need be," "Why do you chess players think only about two moves, think about five moves," he said. In a preelection interview with POLITYKA, the president answered the following question: What would happen if a victorious left wanted to change the Constitution and limit presidential powers? He said: "This would be a marvelous move. Then I will come back with the nation in three months' time." He added, however, that he is not an "anarchist" and that he wins not in skirmishes, but at the will of the people.

"The new Sejm will be dissolved in March. Lech Walesa will form a presidential party. He will ultimately prove that the parliamentary system in Poland has been discredited," said Bogdan Borusewicz in an interview with RZECZPOSPOLITA. He decided to defect from BBWR after, among other things, talks with the president. This, however, happened in a situation when the first preelection opinion polls indicated that the new parliament would not be able to form a strong majority coalition.

**An Advertisement Ploy**

The President's Press Office explained that the selection of this controversial fragment of the interview was an "advertisement ploy."

One could, however, wonder why, in such a delicate situation—when the government coalition is being formed, before the work of the Sejm has begun—the president would use such strong words. Only to see what the reaction of politicians would be like?

Most politicians think that the president wanted to emphasize the existence the possibility [as published] of forming a presidential government, which is envisioned by the Little Constitution. This opinion was expressed by Krzysztof Krol. According to Siemiatkowski, the statement in this context would mean a lack of knowledge of the constitutional possibilities; we are only at the beginning of the road which, according to the Constitution, would lead to the formation of this government—now only the coalition is being established.

"The president is really drawing attention to an important problem. Now that the left is just about to assume power, it is facing a choice—either it will fulfill its preelection promises, which would mean ruining the economy, or it will not fulfill them, which would mean a loss of electorate," said Jan Litynski. "The president, in line with democratic rules, should agree to the nomination of a candidate from the Sejm majority; then, in line with the Little Constitution, he should react when the stability of the state is in danger. He sometimes says more than he would actually like to say. Now, if we do not pay attention to a certain sharpness of Walesa's words, then we can look upon the statement as a warning for the left to maintain the state's stability."

**Can the President Breach the Constitution?**

"I cannot accept the thought that he has any such intention," said Siemiatkowski.

According to Bialowolski, this conclusion would be too farfetched.

According to Ryszard Bugaj, Walesa was defeated in these elections—they could be treated as a preliminary presidential election (5 percent for BBWR); Walesa will most certainly face the following dilemma: Should he look for a place for himself in this situation, or will he want to study the election results and reach an agreement with the right?

Krol said: "Yeltsin's road. I have heard of three decisions: cutting off the supply of water, power, and alcohol to the parliament; none of these would be effective in our case."

## Kwasniewski Views Career, Party Goals

*AU3009100593 Warsaw GAZETA WYBORCZA in Polish 29 Sep 93 p 10, 11*

[Interview with Aleksander Kwasniewski, leader of the Democratic Left Alliance, by Jacek Zakowski; place and date not given: "Softening Up"]

[Text] [Zakowski] I cannot imagine what made a promising 23-year-old student at Gdansk University's foreign trade faculty join the Polish United Workers Party [PZPR] in 1977, six years after the December 1970 events.

[Kwasniewski] It was a difficult decision.

[Zakowski] But you overcame that difficulty somehow.

[Kwasniewski] It was a combination of circumstances. At university there were many pleasant people who overcame their prejudices and joined PZPR structures, thus forming a background for Tadeusz Fiszbach, first secretary of the Gdansk PZPR committee, who belonged to the party's liberal stream.

I was head of the Polish Socialist Students Union [SZSP] university branch. Our task was to "convert students to the PZPR." We did not have major success in this, and I was constantly told: No wonder you are not successful if you do not belong to the PZPR yourself. In the end I decided to join. What made me join was the climate inside the party, which was willing to undergo reform. The stage of developments started by Gierek was already coming to an end, and new impulses and solutions had to be found.

[Zakowski] How did your family react to your decision to join the party?

[Kwasniewski] My family was a rather peculiar case. They were not in the party, and yet they were socially active. My father was a doctor, one of the first doctors in Bialogard, and my mother helped him run his private practice. Ever since I was a student, I have made my

political decisions independently. Already in secondary school I had my own political views, and I often quarelled with my father.

[Zakowski] What kind of quarrels were they?

[Kwasniewski] They were disputes between a young man who had faith in the possibility of reform, and an experienced adult who had lost all faith in reforms. This experienced adult was my father. He listened to Radio Free Europe from early in the morning. My left-wing views were shaped largely under the influence of the bad and primitive propaganda from Radio Free Europe. That station's tendentiousness got on my nerves so much that I felt pushed toward the left wing. That is only partially a joke.

My father predicted that I would lose in the Senate elections in 1989. He had a better understanding of people's moods and of the need to reactivate the past.

[Zakowski] Was he sad and ashamed that his son had joined the communists?

[Kwasniewski] No. That might have mattered to the intelligentsia in large cities, but not in Bialogard. When I became a minister, the Bialogard intelligentsia was pleased. Divisions like this were not felt so keenly in the provinces, because people were closer together and perhaps they did not analyze their views so closely. They worked and lived their lives, trying to live as comfortably as they could.

[Zakowski] You joined the PZPR one year after the collapse of the hopes that had been attached to Gierek, after the events of Radom and Ursus, and after the formation of the Workers' Defense Committee [KOR]. Did you not have any alternative?

[Kwasniewski] If I had studied history instead of foreign trade, I might have met different people and my fortunes would have developed differently.

In 1976 the hopes attached to Gierek collapsed, but the conclusions to be drawn from this were twofold. Older and more experienced people said that the system cannot be changed. To people like me, this proved that the Gierek team and its ideas on how to run Poland had outlived their purpose. An alternative to this was, for example, [moderate PZPR member Tadeusz] Fiszbach, who extolled an open way of thinking about Poland. That is what attracted me.

[Zakowski] Not a career?

[Kwasniewski] No. What made me decide was a conviction that something was capable of change from the center outwards. Evolution suits my nature. I regret to say that there is nothing of a revolutionary inside me.

[Zakowski] I noticed you in November 1981 when you became chief editor of the ITD weekly. The previous editor, Zdzislaw Pietrasik, who had been chosen by the paper's staffers, was removed. The staffers protested and defended their dismissed boss for many months. Then you, a high-ranking SZSP [Socialist Union of Polish University Students] official, were imposed on them.

[Kwasniewski] You are diverging from the truth. In the SZSP I was the one who tried to defend the ITD from various attacks. In July, before the Ninth PZPR Congress, Stefan Olszowski [PZPR Central Committee secretary and Politburo member] recalled Pietrasik in order to demonstrate that he had control over the media. After that there was a period of silence until finally, after many tribulations and with the support of the ITD staffers, I was given the job on 15 November. This gave me just enough time to prepare one issue for release before 13 December [1981, the day martial law was declared]. But the issue was removed from the kiosks in any case.

We came to work on 14 December to be told by the publisher that the ITD office was closed and the weekly suspended. Thanks to the intervention of SZSP chief Tadeusz Sawic, who spoke to Olszowski in dramatic terms, we came back on the market on 31 May. Personnel vetting took place during the six months of inaction. Not everyone was vetted, but I think we managed to behave correctly when our suspension was lifted.

[Zakowski] At that time many people felt it a matter of honor to quit the PZPR. Did you not have the impression that the reformist hopes you had introduced to the party were no longer valid?

[Kwasniewski] Yes. The ITD offices were closed, the SZMP was suspended. The vision of socialism with a human face vanished. No one among us was destined to experience what opposition people were experiencing, but the mood of national disintegration was becoming so marked that everyone expected a turning point. Nevertheless we all experienced a shock. Some of my colleagues quit the party. It seemed to me that if I did the same, I would be escaping some measure of coresponsibility for what had happened in Poland and what was going to happen.

[Zakowski] Are you not misusing the word "shock"? Did you not feel the need to react to this shock and express your disapproval? Did you not feel uncomfortable belonging to a party that was responsible for martial law?

[Kwasniewski] For me this was an extremely difficult period for various reasons, but the question of party membership did not seem particularly important. The most important thing for me then was responsibility for people whom I had previously persuaded to cooperate. I need not tell you that how difficult it was to have a child and not have any work. But other people were really in a dramatic situation. What can one say?

As far as I am concerned, the Father Popieluszko case was a greater shock. In 1981 I understood various circumstances well enough to find arguments in favor of martial law. I tended to wonder about the future of our party. If my party was incapable of solving problems by

political means and was calling on military force, it was finished. Who knows, perhaps martial law should also have brought about the dissolution of the PZPR.

[Zakowski] When Father Popieluszko was killed, you were party chief of SZTANDAR MLODYCH. Father Popieluszko's death was not the first political murder after 13 December, and he was probably not your hero either. So why do you use the word "shock"? Why was it such a shock to you?

[Kwasniewski] Because a planned murder by the Security Service [SB] was something completely alien to my generation. It does not matter if the murder was planned by a large group or a small one. It was done so by representatives of the state, people belonging to its structures. Father Popieluszko's death finally showed that curbs on democracy or even the prohibition of democracy may cause phenomena over which no one will have any control. This was a shock to all the people that I respected.

[Zakowski] Whom did you respect?

[Kwasniewski] For instance, Mieczyslaw F. Rakowski [former prime minister], who viewed Father Popieluszko's murder as a political blow against people who were seeking a compromise. He too felt that something that should already have been a closed chapter was in fact returning.

[Zakowski] It looks like Rakowski is a key figure in your life.

[Kwasniewski] His influence on me was greatest when we still did not know each other. He influenced all the political people of my generation mainly as editor of POLITYKA, where he extolled common sense.

I met Rakowski when I was chief editor of ITD. Later, working in SZTANDAR MLODYCH, I met him at large meetings with journalists. But we did not establish closer contacts until he went through a political and psychological depression and I unexpectedly joined the government.

[Zakowski] In other words in 1985, when you were made a minister in [former Prime minister Zbigniew] Messner's government and Rakowski was dismissed from the post of Sejm deputy speaker.

[Kwasniewski] Yes. He had more time then, so we could hold longer talks, which were a great education for me. It was then that we became friends. Later on he no doubt influenced [former President Wojciech] Jaruzelski, when the youth committee and physical culture committee were merged, and I became head of the new youth and physical culture committee. When Rakowski became prime minister, he decided to appoint me to the Government Presidium and gave me chairmanship of the Sociopolitical Committee.

[Zakowski] What joined the two of you?

[Kwasniewski] Common sense. Rakowski was one of the few people who talked about the need to include Poland in European structures. He was antidogmatic and pro-European.

[Zakowski] When you entered the highest establishment [preceding word in English] and joined the Messner Government, were you not disturbed by the presence of [former Press Spokesman] Jerzy Urban?

[Kwasniewski] Why should I have been disturbed by his presence?

[Zakowski] Because you were so sensitive about the Popieluszko case, you might not have wanted to join a government of which Urban was also a member. Urban had said particularly revolting things about Father Popieluszko.

[Kwasniewski] The news that I was to join the government took me completely by surprise. I had just returned from abroad when I was informed that I should report to the Central Committee Cadres Department. I was convinced I was going to be sacked. Instead, I was told that someone had proposed me for the post of minister for youth affairs, but someone else would probably get the job. That calmed me down. I was then told to report to General Janiszewski, chief of the Office of the Council of Ministers. I was wearing jeans and a red pullover. That was the second time in my life that I had been to the Office of the Council of Ministers. Janiszewski immediately told me he was offering me the ministerial post. I asked him if he could imagine any minister who looked the way I do. He replied that he wished more ministers looked like me. The decision to appoint me had been made so high up that it would have been risky to refuse.

[Zakowski] I have a feeling that we still do not understand each other. Do you not feel there are times when one should say no, or at least not say yes?

[Kwasniewski] Of course there are, and I have sometimes said no. But you must remember that I was a 30-year-old who believed that an internal change in the system was possible, was eager for new experiences, and hoped that he could exploit the new possibilities, and not just for himself. At the risk of being immodest, I must admit that almost all of this came to pass.

[Zakowski] Whose idea was it that you should take this post?

[Kwasniewski] Probably Swirgon, Central Committee secretary. Perhaps Rakowski as well, but he was then in the process of being shifted to the sidelines, so he did not have much to say.

[Zakowski] Did you not ask who else would be in the government?

[Kwasniewski] I did not care who was going to be spokesman. I asked who would be the deputy prime minister responsible for my affairs. I was told it would be

the distinguished organizer Professor [Zbigniew] Gertych. And so it was. The only trouble is, he did not turn out to be such a distinguished organizer after all.

[Zakowski] In other words, with your "evolutionary" nature, you did not have a lot to say here. But in the following government, Rakowski's government, you were a key figure. As far as I understand, this government was formed in order to seek a compromise.

[Kwasniewski] I suppose so.

[Zakowski] You are not sure?

[Kwasniewski] Rakowski spent too much time waiting for his chance. But as for the seeking of compromises, I have no doubts about that. The best proof of that is the fact that he offered ministerial posts to Prof. Trzeciakowski, Aleksander Paczynski, and Andzrej Micewski. The ideas on compromise did not get off the ground straightaway, but Rakowski's personality and that of former Minister of Industry Mieczyslaw] Wilczek and me were meant to encourage compromise.

[Zakowski] That is probably what everyone thought at first. However, there were also signs that your credibility was being questioned. You were seeking contacts with the opposition elite, and yet at the same time you were hob-nobbing with Urban, who said in public that Klemens Szaniawski and Magdalena Sokolowska were CIA spies.

[Kwasniewski] The Urban case had nothing to do with me. Despite all his deceitfulness, Urban does have a few great qualities. He is extremely shrewd and hard-working. Anyone who looked in the pages of ZYCIE WARSZAWY a few days ago could see for himself how deceitful Urban is even today.

[Zakowski] That is why I am asking. He is still a burden upon you.

[Kwasniewski] Urban loves get-togethers, and on election night the greatest get-together was at our place. But authority means more than just words, structures, and interests. It also means psychology. Urban's main problem was to woo Jaruzelski, who valued him. Urban was the only person to speak his own mind in the general's presence. Usually he said things the general did not want to hear. Jaruzelski treated Urban as a crooked yet necessary mirror of events. Urban publicly criticized, provoked, and attacked the opposition, but he also opened Jaruzelski's eyes to many things.

Rakowski and Urban were friends ever since they had worked in POLITYKA together. Even so, Rakowski took a bold step by removing Urban from the post of government spokesman and making him head of the Radio and Television Committee.

[Zakowski] The photograph of Urban celebrating the Democratic Left Alliance victory, holding a giant bottle of champagne and sticking his tongue out, is going to cost you more than all of [SLD member Leszek] Miller's escapades. A jubilant Urban presents a remarkable image.

[Kwasniewski] Only for those milieus that are involved in politics. Actually, our victory is a problem for Urban. His weekly, NIE, used to thrive by attacking the Solidarity authorities, and was sympathetic toward us. Now the situation is going to be different. On the other hand, I am sure Urban is very high on the list of people who have reaped the greatest benefits from the market system. Urban occupies a very high position, and he is not going to harm this system.

[Zakowski] Are you thinking about his money?

[Kwasniewski] I think that because of his strength, his standard of living, and his feeling of confidence regarding tomorrow. Urban is profiting from freedom of expression and the free market. There is a difference between Urban and Wierzbicki: They both set up newspapers. The one passed the market economy test and the other did not. Incidentally, Urban knows that his marketing is connected with his involvement with the old authorities, and he acts ethically insofar as that is no doubt the reason why he helped finance our election campaign.

[Zakowski] That is a dangerous symbol.

[Kwasniewski] Yes. I would avoid such symbols. Urban was a figure of the Jaruzelski era, but believe me, he is not a prominent figure for the SdRP [Social Democracy of the Republic of Poland] or the SLD.

[Zakowski] Let's return to chronology. At the roundtable talks, you met face to face with people who had spent many years in prison because of the views they held while you were an chief editor and a member of the government. What were your feelings at the time? Did you not have any complexes with regard to them?

[Kwasniewski] It was fascinating. I think that the most important experience for both sides was how the image of one's enemy or opponents completely changed. It suddenly transpired that dialogue was possible, that arguments were rational, and that compromise was attainable, and—and this was particularly surprising—those who had been persecuted the most did not entertain a desire for revenge and did not suffer from obsessions. To my mind, this finally confirmed that it is better to talk, even to argue, than to use the special services "to reach agreement."

[Zakowski] You have now said publicly that at the roundtable you were aware that you were surrendering power.

[Kwasniewski] Of course. For example, when talks came to a standstill, I said: Gentlemen, I knew that acquiring power was extremely difficult, but I did not that surrendering it would be too. That was a not a joke.

[Zakowski] No one will believe that you really wanted to give up power. It was surely more the case that you were looking for a compromise as a way of surviving.

[Kwasniewski] The level on which the talks were taking place was obvious to all the participants. There was an entirely new qualitative dimension. What we wrote in the documents for [former Minister for Trade Union Affairs Stanislaw] Ciosek, [former Deputy Prime Minister Ireneusz] Sekula, [former Secretary PZPR Central Committee Law and Order Commission Andrzej] Gdula, and [former Interior Minister Czeslaw] Kiszczak, as well as for myself was unequivocally a plan for surrendering power. We immediately abandoned many elements of the system of government that were previously sacrosanct. Jaruzelski and Prime Minister Rakowski understood this perfectly.

[Zakowski] Why did you not simply say we are giving up power and leaving the scene?

[Kwasniewski] We said that. We talked about legalizing "Solidarity," the contractual Sejm, and the next elections, which were to be completely free. We said that frankly. Maybe there were some schemers who were counting on it being possible to reverse everything and return to the old path, but I, Kiszczak, Rakowski, and Sekula were certainly not among them. Without coordinating it, I proposed free elections to the Senate. That was an important step on the path toward overcoming the critical mass of democracy.

[Zakowski] The Senate was surely more of a bargaining argument: The party guaranteed itself a majority in the Sejm, was sure that Jaruzelski would be the president, because he would be elected by that Sejm, and so had to give away something to get "Solidarity" to buy the contract.

[Kwasniewski] Please bear in mind that it was 1989, that we had serious and dangerous PZPR structures and various services. The USSR still existed, and there was a gerontocracy in power that was increasingly ill-disposed toward us. The Warsaw Pact still existed. Perhaps we were too cautious in planning that the process would take place over two to four years. Everything occurred in a few months. I think that the plan contained in the agreements was better than the lightening-speed option that was realized.

[Zakowski] How did it come about that after the PZPR had surrendered power, you came to lead the SdRP in January 1990? Did Rakowski promote you once again?

[Kwasniewski] Rakowski wanted to become the head of the party himself. To my mind, it was clear that there could no longer be a return to the old system and that we must enter a democratic system, a multiparty system, that the PZPR had to go and that cosmetic changes made no sense. That is why I became involved with the "8 July Movement." It included people who believed that to retain our identity, we had to create a normal political grouping. Despite my very good contacts with Rakowski, the fact that I believed this led me to turn down his offer of a Central Committee secretary post when in July 1989, Slawek Wiatr, Marek Krol, and Marcin Swiecicki, who is now a UD [Democratic Union] deputy, were being made secretaries. I wanted to build a formation that would unequivocally place itself in a new, democratic order.

I and my friends decided to start with the old party's congress. That is why I stood as a candidate in the delegate elections and that is why I took part in the last PZPR congress.

[Zakowski] But why did you not follow the path that Marcin Swiecicki took?

[Kwasniewski] This might not sound very good, but it seemed to me that the path that I chose was more honest.

[Zakowski] Could you not extricate yourself from this kind of psychological tangle?

[Kwasniewski] I thought that one has to assume responsibility for what one has been doing for years and that one has to allow oneself to be judged by society. One should not just go over to the victors' camp.

If I had found myself in the UD in 1990, then I would have been part of the second, victorious camp. In 1990, I could have had the satisfaction of success, but following the 1989 elections, I was convinced that my formation had lost and that the defeat would have long-term consequences.

[Zakowski] What formation?

[Kwasniewski] My political circles. I felt better as a someone from the SdRP who was the target of insults than as someone who would have been tolerated in the "Solidarity" or UD camp. That is not because I do not value the UD, but, on the contrary, because I value it. That is why we sought to take up our own place in the new reality, and today I have the great satisfaction that we succeeded in that and that four years after our defeat, we have managed to triumph in the elections.

[Zakowski] When you talk about victory today, is the adjective "Pyhrric" not at the back of your mind?

[Kwasniewski] Whether it is a Pyhrric victory remains to be seen.

[Zakowski] I am asking about what you feel today.

[Kwasniewski] That is an erroneous line of reasoning. In Polish politics, the masters in this field are some UD politicians who have a tendency to formulate self-fulfilling prophesies that come down to the belief "it must fail." If that is what you assume, then things really will fail.

[Zakowski] Will you succeed?

[Kwasniewski] Maybe or maybe not. If we show that we can act competently and that we can satisfy social expectations to some extent, then Pyhrrus will not get a hold on us.

[Zakowski] Precisely, speaking to LE FIGARO, you said: "There is no miraculous recipe, one cannot count on a rapid and painless improvement." That is not the way you put things during the election campaign. What is more typical is something else that you said, something that I will quote from GAZETA POMORSKA: "There must be money for the public sector and for social welfare programs, and there can be no two ways about it. One cannot economize by dipping into the pockets of pensioners, teachers, and doctors." The journalist then asked you: "Even if there is danger of increasing the budget deficit?" You replied: "Even then." My impression is that of two different people talking. One is trying to reassure the West and other is trying to arouse voters hopes.

[Kwasniewski] I have always said both those things, although the second interview was not authorized. We do not have a miraculous recipe, but the situation in the public sector has to be stabilized, although that will require time. However, I constantly repeat that there can be no arguing with the budget deficit. On the other hand, what we have clearly written in the SLD program is that there should be a 100-percent upward revision of pensions in 1994, and solving that great pensioner issue will be one of the basic problems facing our government.

[Zakowski] Will you back down on the promise that you made to pensioners?

[Kwasniewski] One will have to sit down with a pen and paper. Every possible effort will have to be made to keep that promise, but is should also be realized that mathematics does not give in to political demands and social suggestions.

[Zakowski] Especially after elections.

[Kwasniewski] Always!

[Zakowski] Is an election program a starting point for negotiations or is it question of "a promise is a promise?"

[Kwasniewski] A program is something very binding, but it not something that can be realized immediately, on the day a government is appointed. There must be a schedule for it, it must be verified within the framework of coalition compromises, and assessed. In a year from now we should not behave like the "Solidarity" groupings and pretend that we do not have a clue. Program? What program? Did we have some kind of a program? Today, no one remembers anything about the 1989 Citizens Committee program. It took the president two years to remember that he had a program. Our program can be realized over a period of four years, if we get that amount of time.

[Zakowski] But [SLD member and head of OPZZ, All-Polish Trade Unions Agreement] Ewa Spychalska will only give you three months.

[Kwasniewski] Or six.

[Zakowski] Six at the very most!

[Kwasniewski] We will see. We will try to get things done fast. If someone expects any government to realize a social program in six months, what is there is to talk about?

[Zakowski] Those backing you. I might not like your past, but what you are proposing today generally sounds sensible. However, you have got the OPZZ's Spychalska behind you on the one hand and Urban on the other hand.

[Kwasniewski] Urban is not a deputy.

[Zakowski] However, his party, the Independent European Initiative, belongs to the SLD and its candidates were on your lists. You also have the Polish Socialist Party's Piotr Ikonowicz in the SLD. In the SdRP, you have, for example, Leszek Miller himself. Are you in a position to be able to control your own coalition?

[Kwasniewski] Every larger political movement, if it is open and internally democratic, is condemned to diversity. At the First SdRP Congress, I said that I would agree to be a candidate for the post of chairman if I could propose 60 candidates for the Supreme Council. I knew that one had to obtain the critical mass of change. The condition was accepted. At the second congress, I decided that the move did not have to be repeated, because views had undergone a basic evolution. Thanks to the fact that the tone was being set by people like Oleksy, Borowski, and the two Wiatrs, our social constituency changed. It is entirely different from what it was two or three years ago.

[Zakowski] Do you really believe that?

[Kwasniewski] Two years ago, at almost every meeting, there were times that I would describe as being about toning down the hardliners. Today, there are incomparably fewer. That so many deputies, including Miller and Jaskiernia, voted for privatization had nothing to do with duplicity. It was proof of an evolution.

[Zakowski] Toning down?

[Kwasniewski] I would have never said this about them, but those people came to believe that one had to abandon dogmas and seek to understand a reality that is entirely knew. The process is continuing. I am not saying that there are no threats from within our circles. However, some of them stem from the stereotypes that you use. If I obtain almost 150,000 votes in Warsaw, then my political standing is objectively higher. However, what I hear form you now is that the we will only be forced onto

the fringes now and that the hardliners will crush me. Your are producing a scenario that might become a self-fulfilling prophesy.

[Zakowski] That is only a reflection based on the experiences of people who encouraged "Solidarity" to agree to a compromise and were then forced out of "Solidarity" once victory had been achieved.

[Kwasniewski] Then they should help us to avoid the mistakes that "Solidarity" made. They should not try to bolster the differences that do, of course, exist within our grouping, because such differences have to exist. If we fall apart, then what force in parliament will be able to carry on with a sensible reform course? Do you see such a force?

[Zakowski] To my mind, it is not a question of bolstering differences. Are you not afraid that when you assume power, the mood of society will turn against you? With your evolutionary bias toward conformity, will you not become a hostage of hopes that have been awakened on the one hand and of your own colleagues on the other hand?

[Kwasniewski] I think that we can manage to govern competently and that will bring us success. I can perceive the threats that you have mentioned, but our people understand that governing together with the PSL means embarking on the most risky of roads.

[Zakowski] In view of your common past?

[Kwasniewski] Yes, because if we fail, people will say, you have governed for 40 years and it was a catastrophe, and now you have governed for two or three years and we have another catastrophe. No one will vote for us again. We do not have the alternatives of success or defeat. For us, the alternative to success is political extermination.

[Zakowski] Do you think that you might even lose the 1.5 million strong post-PZPR electorate?

[Kwasniewski] Almost 3 million people voted for us. They were very different; If we fail, those people will leave us, and they will never forgive us. But, because we are aware of that, we will be much more united than, for example, the OKP [Citizens Parliamentary Club]. If we fall, then all of us will fall, and we all understand that.

## Skubiszewski Urges Foreign Policy Continuity

*WS3009083093 Warsaw RZECZPOSPOLITA in Polish 29 Sep 93 p 21*

[Article by Polish Foreign Minister Krzysztof Skubiszewski: "The Imperative of Continuity"]

[Text] *Foreign policy issues seldom appeared in debates and discussions accompanying the election campaign. At present, in the period between the elections and the formation of a new Sejm and new government, thorough attention must be paid to state activities directed toward foreign countries. This is a matter of the state's and the nation's primary interests, as well as our national cause. These factors determine that the foreign policy initiated and developed since 12 September 1989 must be continued.*

Poland's foreign policy conducted since 1989 has been the policy of a sovereign state. This policy rejected satellite concepts pursued since 1944-1945 by the communist rulers of Poland. We must keep emphasizing this fact, because members of the Polish United Workers Party [PZPR], the organization that in every way supported Poland's dependence on the USSR, are still part of the political scene. Moreover, some of them have recently returned to this arena with an enlarged sense of self-confidence. At the same time, neither these people nor their diverse assistants from old times, have settled the accounts with their evil past. The so-called People's Poland had no foreign policy of which to speak. Foreign policy was a department of the state administration managed by the PZPR and controlled by a foreign state.

### Foundations

The aim of Poland's foreign policy is safeguarding its independence and territorial integrity, consolidating freedom of determining ways to create a democratic order and gaining support in attaining significant domestic economic and political goals. We are trying to overcome our backwardness and join the new European order that is now taking shape. Our national cause has some priorities which could not be found in 1944-1945, nor in 1989. I mean, among other things, self-respect and respect for others.

Self-respect is a requirement for foreign and a domestic policies enabling efficient defense against foreign forces imposing their will and decisions on us. This standpoint paves the way for coordination with stronger partners and cooperation with those who are equal or smaller.

The continuity of Poland's foreign policy must be observed according to the principles of democracy. Changes of governments in democracies do bring changes to a state's policy. However, if we look attentively at the changes going on in stable Western democracies, we will see that the foundations—directions and priorities in the foreign policy—remain unchanged. Changes are reflected only in accents, nuances, and instruments. This must happen in our case. This is even more important because the situation in Poland and its surroundings remains fragile in many aspects. Unbalanced or irresponsible steps could put an end to stability and destroy what we have accomplished in our relations with the world and in our efforts to grant stability in this part of Europe. We are experiencing a delicate phase of exposure to the processes taking place in this area. This leads us to the imperative of continuity. Discontinuing our foreign policy could easily put us in a situation threatening our national and state interests.

**The West Is the Main Direction**

Our sovereignty and security depend to a great extent on the West. The basic interests of Polish security, economic development, and civilization lie in the Euro-Atlantic region. The final success of Poland's transformation is only possible within this framework. These principles have played a decisive role in the choice made by Poland over the last four years.

Over these years, we have carried out a fundamental change of political and economic orientation in our relations with the world. We have certain accomplishments in this field, but this is a permanent task and a challenge for us all, not just for state organs, political parties, and people forming and implementing foreign policy.

As a result of Poland's policy, our partners in West Europe debate on "when" and not "whether" Poland will be integrated into the EC. It is equally important that our consequent activities have made the issue of our NATO membership ready for political solutions. The resolution of these two issues is a necessary condition for Poland's democracy, creation of well-being, granting security, and implementing our civilization aspirations in a new international environment.

We must underline the enduring importance of regulating and developing our very close relations with France, Germany, the United States, Great Britain, Italy, and other Western countries. Support for our ambitions is especially strong on the part of Germany and the United States. Among the leading representatives of the German elite, there is a growing understanding of our postulates and of the fact that the Odra-Nysa border cannot be a border between two different worlds, and that assisting a stable and secure Poland corresponds to Germany's vital interests.

Strategic think in the United States is gradually losing its one-dimensional treatment of relations with the Russian Federation, and this is a very encouraging development. It was not without the influence of Poland and other members of the Vysehrad Group that a new concept has taken shape, accentuating that security of Central European democracies and their striving for integration into West European and Atlantic structures cannot be viewed as a threat to the interests of non-imperialistic Russia.

However, it would be naive to believe that while entering the world whose essence is individual initiative, fervent competition, and the use of efficiency criteria, we will do this painlessly and without paying certain costs. In the peaceful competition of national potentials, nations, societies, and governing teams unable to reach the highest level must lose. Ideas and projects that envision the separating of the state by means of prohibitive barriers or locking it up in some area beyond West European and Atlantic security structures (until these structures reshape and "prepare" for receiving Poland and other Central European countries) are just a delusion. If these ideas are implemented, they will not even act as an anesthetic and will not bring even temporary relief. If these ideas are implemented, they will aggravate our backwardness and amplify the security deficit.

**Reconstruction of Relations With the East**

The strengthening of sovereignty and simultaneously endorsing open relations with the world required, first of all, that Poland lose its position as a satellite and reconsider its relations with the USSR, and after 1991 with the Russian Federation. This objective was accomplished, and the one-of-a-kind 17 September 1993 ceremony at the Belvedere, as well as the departure of the last remaining Russian troops, took on very symbolic meanings. The new quality of Polish-Russian relations was mirrored in the presidents' statements made during Boris Yeltsin's visit to Poland. It is hard to overestimate the importance of these events.

Therefore, a return to the old-style pattern of Polish-Russian relations that related, for example, to the concept of "special links," is impossible, from the point of view of national interests. The Polish state does not need "special" relations with Russia. It needs regular and good relations that comply with Polish interests and normal relations between sovereign countries.

Our relations with the independent Ukraine and other non-Russian neighbors in the East are significant achievements. The Polish Workers Party, the PZPR, and their allies could imagine neither the existence of an independent Ukraine nor normal Polish-Ukrainian coexistence.

Today, our relations with independent Ukraine are good and rich in essence. The grounds for strong, long-term cooperation have been established, as well as for overcoming historical grievances and stereotypes. This means that the memories of conflicts and complex common history do not diminish the importance of the present beneficial breakthrough. Moreover, today, thanks to our breaking with the satellite mentality, we can say that we are not facing the "Moscow or Kiev" dilemma any more. We shape our relations with Russia and Ukraine realistically, without creating or assuming dogmatic premises that obscure the field of our activities. It is certainly a policy decisively advocating the territorial status quo of the entire CSCE region and the right to equal security; a policy rejecting the ideas of "sanitary cordons," "buffer zones," "gray zones," or anybody's "special interests" east of our borders.

It is in Poland's interest to defend those hard-won results. They cannot be subject to our internal political feuds.

**Circumstances and Instruments**

In the current international situation that has had an impact on our position and development, it is not possible to "wait it out." So we should choose optimal ways to accomplish our goals under existing circumstances. Thanks to our efforts, these circumstances can

be modified, however only to certain degree. Determination, without which we will not achieve much, should be a tool for a broader vision. Our strategic goals cannot be subject to any type of auction. Poland isolated from the complex politics and economy that are characteristic of our region will lose the opportunity and can be pushed off the path to success. The mirages of easy markets and alliances will appear once again.

Poland has no other choice than to fight for its place among the strong competitors with more and more efficiency and with larger and larger degrees of imagination and determination. We offer them not only internal stability but also cooperation in attempts to extend the regional security zone, as well as loyal teamwork based on democratic values and economic freedom. In such a perspective, the criticism of Western elites' lack of imagination, passivity, and, much to often, egoism and localism is tolerable and even necessary. In such a perspective, it is also possible to create a mechanism for protecting our national interests, without escaping into an autarchy utopia or isolationism.

Our efficiency requires a professional foreign policy, detailed approaches, stable activities, and the rejection of gestures (but when it is desired, not rejection of decisiveness). Under the new circumstances, it is also required that at least two conditions be met: That the current course of Polish foreign policy be continued and our partners be convinced that this course will not be changed. Words will not count; only facts, credibility, and mutual trust.

## Central Bank To Continue Restrictive Course

*AU2909181093 Duesseldorf HANDELSBLATT in German 29 Sep 93 p 11*

[Report by Markus Ziener: "Central Bank Intends To Continue Its Restrictive Monetary Policy Course"]

[Text] Warsaw, 28 September—Hanna Gronkiewicz-Waltz, president of the Polish National Bank, intends to continue the restrictive monetary policy course following the election victory of the post-communists. In an interview with HANDELSBLATT, she said the goals of combating inflation and reducing the National Bank's share in the financing of the budget deficit continue to have priority. She also confirmed that the granting of licenses for new foreign and Polish banks has been suspended indefinitely.

Hanna Gronkiewicz-Waltz predicted a price increase to 32 percent by the end of this year, but did not rule out that, in the final analysis, "it could also be a little higher." "Thus we do not exceed the limit we have set for ourselves this year." Assuming that the current economic course will be continued, a limit of 25 percent for 1994 can be considered realistic. The 40-year-old bank president says that this basic inflation, which is still continuing three-and-a-half years following the beginning of reforms, is attributable to many factors.

### Wages Have Increased Faster Than Prices

The budget deficit of approximately 5 percent of GDP has caused a price increase, as has the value-added tax [VAT] that was introduced early in July, and the deregulation of prices in certain sectors such as energy. The fact that wages have recently increased faster than prices—according to data published by the Central Office of Statistics in August, the rate of inflation was 34.4 percent, whereas salaries increased 36.9 percent compared to the previous year—is no problem, says the president, because productivity has also increased.

The devaluation of the zloty by 8 percent at the end of August and the continuation of devaluation ("crawling peg") by 6 percent per month against a basket of Western currencies became necessary against the background of a balance of trade deficit of $1.125 billion in the first six months of 1993. In July alone, an import surplus caused a deficit of $300 million. In addition, Poland will repay its debt to the creditors in the Paris Club, beginning in 1994. According to the president, the negative balance results less from a decrease in Polish exports than from an excessive increase in imports.

Currently, the National Bank does not consider it necessary to abandon the principle of creeping devaluation, said Hanna Gronkiewicz-Waltz. Nor is the bank considering taking another major devaluation step. By the end of July, the National Bank had foreign exchange reserves of $3.6 billion, and they will now slowly increase again. To finance the public budget deficit, the government received credits totalling 30 billion zloty (over 3 million German marks [DM]) from the National Bank this year.

Hanna Gronkiewicz-Waltz confirmed that the granting of licenses for new banks has been suspended indefinitely. This measure applies to Polish and foreign banks. This step is intended to channel money to the existing banks. "I cannot buy shares of local banks or look on as they are liquidated, and at the same time grant licenses for the establishment of new banks—that would not be fair." The period of this suspension will depend on how long the problems in the Polish banking system will last.

German banks that only have representations in Poland should have started full business activities two years ago, said Mrs. Gronkiewicz-Waltz. Now that a continuous economic upswing is taking shape, they are showing an increasing interest, too. Other countries could commit themselves in Poland regarding the privatization of banks and could participate in tenders, said Mrs. Gronkiewicz-Waltz.

### "Private Banks Must Solve Problems Alone"

Asked about the financial difficulties with which a number of the over 70 commercial banks in Poland have to struggle, the central bank chief said that, basically, private banks should solve their problems alone. However, on the whole, the banks' economic situation has developed negatively, and this fact has also manifested itself in an increase in the average quota of bad credits

from 26 percent in 1992 to 33 percent this year. As a safeguarding measure, she has increased the minimum equity endowment of local banks from 70 billion zloty to 90 billion zloty (over DM9 million). Because banks have gone bankrupt, and savings deposits must not be endangered, the government must now assist banks that are in trouble, said the National Bank president. The banks must either be helped get back on their feet again, or new buyers must be found.

In the case of the Bank Inicjatyw Gospodarczych BIG S.A., Warsaw/Lodz, the Polish National Bank has bought 49 percent of the shares. Mrs. Gronkiewicz-Waltz did not rule out that similar measures could be taken in the case of other banks. "I think, however, that strictly speaking, this is a task of the government that should not be taken over by the National Bank," she said. But the Finance Ministry in particular, citing the budget deficit, has refused to grant assistance. It is true that there is the danger that some precedents could touch off an avalanche of requests for assistance by the central bank, but currently, any other approach is out of the question. "We cannot privatize by helping public banks and, at the same time, liquidate private banks," said the National Bank president.

### Vacaroiu Makes Statement on Return From Moscow

*AU2909215093 Bucharest Radio Romania Network in Romanian 2020 GMT 29 Sep 93*

[Statement by Prime Minister Nicolae Vacaroiu, at Bucharest Otopeni Airport on 29 September—recorded]

[Text] The delegation of the Romanian Government, led by Prime Minister Nicolae Vacaroiu, who paid a visit to Moscow at the invitation of the President of the Council of Ministers of the Russian Federation Viktor Chernomyrdin, returned to Bucharest this evening. Upon arrival at Bucharest Otopeni Airport, Prime Minister Nicolae Vacaroiu made the following statement:

[Begin Vacaroiu recording] The official three-day visit that we have paid to the Russian Federation at the invitation of the president of the Council of Minister of the Russian Federation, Mr. Viktor Chernomyrdin, concluded today. At the end of this visit, I would like to say that it concluded with good results. All the objectives that we set upon departure from Romania for this official visit have been fulfilled.

I would like to say that the meetings that we held with President of the Russian Federation Boris Yeltsin, with Prime Minister of the Government of the Russian Federation Viktor Chernomyrdin, with Vice Prime Minister Gaydar, with the president of industrialists and entrepreneurs in the Russian Federation, and with personalities such as Prime Minister Kopsov of Bashkortostan. All those meeting were very fruitful and took concrete shape in six very important accords that we signed during the visit. I am referring first of all to the accord on commercial exchanges and payments for 1993-1994;, the accords in the area of tourism, culture, science, and education; the accord on avoiding double taxation; and the accord on promoting and ensuring the mutual protection of investments. All these are greatly important and, in practical terms, they have created the necessary judicial framework for developing and expanding bilateral relations in the economic area, cooperation, and commercial relations.

Likewise, we have approached all the issues that, so to say, were stagnating in the area of economic relations. We succeeded in creating an appropriate framework for commercial companies in Romania, regardless of their capital, because, in this delegation, we included not only representatives of the government and ministries and heads of departments, but also businessmen representing the private sector, the mixed sector, and the state sector. There were direct contacts at the level of companies and departments and of certain important ministries, banks, and we can state at the end of this visit that we achieved an important point on reentering the market of the Russian Federation, which is a strong market with great prospects for the Romanian economy.

Certainly, on this occasion we also approached issues connected with the finalization in the shortest time possible of the points of disagreement regarding the basic treaty and the issues connected with the finalization of the issue of the Romanian treasure by the end of this year, on the basis of information and meetings at the level of experts. These are very important points. We witnessed receptiveness at all levels and a great openness, and we believe that this visit has reached its goal, that is, the goal to create a solid basis for the amplification of bilateral relations and of economic and commercial relations. [end recording]

### Talks With IMF Appear 'Very Satisfactory'

*AU2809130593 Bucharest ROMPRES in English 1150 GMT 28 Sep 93*

[Text] Bucharest, ROMPRES, 28/9/1993—The head of the Romanian mission that called last week at the international financial institutions based in Washington terms the result of the negotiations there as "very satisfactory, very positive as a whole", as Romania is to conclude soon the credit agreements with the International Monetary Fund and the World Bank.

Showing that the essential issue the IMF focussed on as far as Romania was concerned was economic macro stabilization, reduced to one basic aspect—the balancing of the payment deficit, Mircea Cosea, minister of state, president of the Council for Economic Strategy, Cooperation and Reform, told daily CURIERUL NATIONAL: "At July's end, the fund assessed that the only solution for evening the balance of payments was the liberalization of the Romanian leu's rate of exchange to the dollar. During the current negotiations, we have been able to provide additional elements that have cleared almost everything... Romania agrees, understands and really intends to stabilize the economy by liberalizing the rate of exchange. But it thinks that at the beginning of the coming winter, i.e. in October, November, December, it is difficult to take such a step, considering its immediate and sorry impact on the prices of all imported goods and of those that are derived from imported goods...

"Our mission has induced the International Monetary Fund to present an alternative to the solution of liberalization of the rate of exchange, offering two scenarios of evening the balance of payments. The former is the immediate liberalization of the rate of exchange ... The later is based on gradual liberalization of the rate of exchange and the introduction of a package, of a system of very strict monetary and financial policies in the domain of budgetary expenditures...Together with fund's experts, we have sketched out an alternative, which is an average of the two scenarios and pursues the attainment of the same target but with a bearable social impact, entailing however very important financial and monetary steps".

The understanding paves the way for the signing of the stand-by agreement which means, in a first stage, a credit of $500 million to Romania. Minister Cosea said that the

money will go to the reserve of the national bank for a passage to the convertibility of the leu.

## Labor Minister Meets With U.S. Official

*AU3009074393 Bucharest ROMPRES in English 1628 GMT 29 Sep 93*

[Text] Bucharest, ROMPRES, 29/9/1993—Dan Mircea Popescu, minister of labor, Ralph Johnson, special counselor at the U.S. State Department for Assistance to Central and East Europe had talks on September 29 on the programmes of economic assistance the American Government has offered to Romania over the past four years.

The Romanian minister thanked the American official for the $170 million worth of assistance from the United States and put forward the priorities in the economic and social reform of the Romanian Government for which it would need foreign assistance, such as the development of the civil society, the reform of enterprises for development and privatisation, the restructuring of the banking system, the development of small-and middle-sized businesses, technical assistance in issues related to the environment, human resources, training in the fields of privatisation, public administration and finance.

Ralph Johnson opined that the priorities were compatible with types of economic assistance programmes promoted by the U.S. Administration and had words of praise for the resolution of the Romanian executive in furthering the reform. The guest showed optimism on the chances of Romania to be granted the Most-Favored-Nation status and on the creation in Romania of an enterprise fund with American support.

## Civic Alliance Presents Code of Political Ethics

*AU2909160093 Bucharest ROMANIA LIBERA in Romanian 23 Sep 93 p 3*

["Civic Alliance Code of Political Ethics"]

[Text]

### Rationale

Public opinion, the press, and particularly the latest local elections, in which 20 percent of the electorate participated, prove citizens' increasing mistrust in political activity. This new fact, that became obvious especially in the wake of the September-October 1992 elections, affects our entire life. There cannot be real democracy without our citizens' desire to elect representatives who will protect their interests. One cannot create a responsible political power if those who betray the expectations of the voters enjoy political support and if no legal sanctions are applied whenever necessary.

Starting from the absolute necessity to lend our political activity new credibility, the Civic Alliance proposes, to citizens and political forces, a code of political ethics. Submitting to public debate the following principles, which exceed the elementary requirement to respect democracy, the Civic Alliance does not assume moral prerogatives. It does nothing else but recall the existence of certain elementary rules that link the members of society and that have to be observed so that political mechanisms may function. Such a code refers to the implicit contract among the members of a party, who agree to struggle together in the name of the same political goal; between the formations that have agreed on a cooperation protocol; and, most important, it refers to the contract between citizens and the candidate who was elected through their vote and whose duty it is to abide by his promises.

The years we experience now will determine not only our lives, but also the lives of future generations. Our country's development depends on the people who, in these times of change, are leading the country in the name of the citizens and national interests. All of us are responsible for our success or failure in creating a political elite that is up to the elevated historic moment we are experiencing. In this sense, we consider the following to be:

### General Principles

1. It is the political formations' responsibility to the citizens to respect domestic laws and hierarchy.

In this sense, it is desirous to seek clear-cut and convincing explanations for internal polemics, which are natural in an active formation, and for changes of program or strategy, which are also natural for an organization that adjusts to circumstances. Such explanations, however, should continue to ensure the link between the given formation and citizens and should constitute a duty of fair play to the electorate.

2. It is necessary to ensure prompt and comprehensive information on the candidates the political formations propose.

The proposal of candidates is one of the essential prerogatives of political formations. Demanding, however, that a candidate who does not appeal to the electorate be elected is intolerable and so is the refusal to provide information on the competence, character, and political career, or other things that permit the voters to make their choice according to their own judgment.

3. If members of political formations holding high-ranking positions are suspected of being involved—through their responsibilities—in acts violating human rights or acts of corruption and abuse, internal investigations should be carried out. It is necessary to take a prompt public stance on the results of such investigations and to withdraw political support if suspicions are confirmed.

We believe that these principles will bring about a new relationship between the population and political formations, something that is indispensable for giving democracy a chance in Romania.

**Annex for the Democratic Convention of Romania**

As a member of the Democratic Convention of Romania [CDR] and starting from the premise that hopes are linked to the conduct of the opposition, the Civic Alliance insists on the responsibility of this coalition to rehabilitate the idea of political action. In this sense, the Civic Alliance believes that the CDR is duty-bound to prove political will regarding a few questions on which its energy of action and credibility depend:

(a) The creation of a CDR parliamentary group;

(b) Clear support or denial of political support for the representatives elected during local or parliamentary elections, as the case may be;

(c) Support for annual reports on the Conventions' successes or lack of success, development of thought, and strategy regarding the problems faced by Romanian society and solutions to them.

(A) The proposal to set up one or more CDR parliamentary groups was examined immediately after the elections in September-October 1992. Each solution had its advantages and disadvantages. After almost one year of parliamentary activity, it became obvious that a successful parliamentary action would be impossible in this formula. The creation of a CDR parliamentary bloc is proof for our citizens that the CDR political formations do not give up defending the citizens against the unyielding effects of the coalition among the PDSR [Social Democracy Party of Romania], PUNR [Romanian National Unity Party], PRM [Greater Romania Party], and the PSM [Socialist Party of Labor].

(B) In February 1992 the CDR candidates won the elections in big cities, including Bucharest. In the wake of the general elections, the CDR holds approximately 26 percent of the seats in parliament, which is the main structure of executive power in a state governed by law. Unfortunately, the positions won by the Convention do not seem to have offered our citizens the advantages they expected following the election returns. There are objective explanations for this; despite the efforts made by the people elected by the CDR, their policy is a failure. There is also talk of too little interest, political betrayal, or abuse, which affect the very interests of the Convention. It is an urgent obligation to offer support to mayors, counselors, and parliamentarians whose well-intended efforts encounter unsurmountable difficulties, and, similarly, to refuse political support and condemn those who have betrayed the expectations of the Convention.

(C) Reports on the activity of the CDR should inform the citizen of the offers made by the CDR as a formation that promises voters to take the country out of the current crisis. These reports should also demonstrate the CDR's desire to comply with public opinion.

## Public Foreign Debt Reportedly Exceeds $4 Billion

*AU2909202293 Bucharest EVENIMENTUL ZILEI in Romanian 24 Sep 93 p 10*

[Report by Simona Popescu: "According to the Report Sent to Parliament by Prime Minister Vacaroiu Romania's Current Foreign Debt Exceeds $4 Billion"]

[Text] Our daily has obtained the report titled "Report on Romania's Public Foreign Debt Before 30 June 1993," sent two days ago by Prime Minister Nicolae Vacaroiu to the standing bureaus of the two chambers of parliament.

According to the figures included in the document, Romania's public foreign debt at the beginning of the month of June amounted to $4.3399 billion. The foreign loans taken by our country from 1 December 1992 to 30 June 1993 amount to $364.2 million, to which debts worth $26.9 million, and 54 million ECU made by means of government ordinances and passed by senate last week should be added.

It is noteworthy that loans worth $171 million have been contracted with the Government of the People's Republic of China. Over 1994, new loans worth an estimated $540 million are to be obtained from abroad.

**Foreign Media Bulletin: Balkan Crisis 30 September**

*WA3009165793*

*The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.*

## SUMMARY

***Bosnian Serbs demand unconditional acceptance of peace plan, threaten to withdraw concessions ... Thousands of western Bosnian residents reportedly demonstrating against Bosnian Army; Abdic names government of "autonomous province" ... Montenegrin President Bulatovic reportedly attacked by "hooligans" ... Negotiations between Macedonia and Greece on recognition of Macedonia postponed.***

## POLITICAL

SERBS REJECT CONDITIONS TO PEACE PLAN (TANJUG): Bosnian Serb leader Karadzic demands Muslim side accept new peace proposal without any conditions, but suggests the "possibility of exchanging territories" once the agreement is signed. Bosnian Serb assembly head Krajisnik threatens to "retaliate" for Muslim decision to place conditions on agreement by "retracting certain territorial concessions" already made by Serbs. (LD2909201393, AU3009113293)

MUSLIM CONFLICT IN WESTERN BOSNIA CONTINUES: Zagreb Radio reports growing "mass rebellion" in Muslim enclave in western Bosnia against authorities in Sarajevo, Bosnian Army. "Growing number of soldiers" joining crowds of "almost 20,000 people" that are attempting to block efforts by Army to retake control. Western Bosnian leader Abdic names new "government" of "autonomous province" with himself as president, urges improved relations with Serbs and Croats. (LD2909174193, LD2909204393)

BULATOVIC "ATTACKED" BY "HOOLIGANS" (TANJUG): Montenegrin Interior Minister Pejanovic alleges President Bulatovic "physically attacked" by "hooligans," says arrested culprits "confirmed" that attack was "organized by Liberal Alliance of Montenegro" party. (LD2909212293)

## DIPLOMATIC

MACEDONIAN-GREEK TALKS POSTPONED (MILS-NEWS): Negotiations over Greek recognition of Macedonian independence were postponed until after Greek elections on 10 October. (AU2909164193)

### Assembly Votes To Accept Plan Conditionally

*AU2909141993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 29 Sep 93*

[Report by Enes Musabasic from Sarajevo]

[Text] Esteemed listeners, we report to you again from the premises where the closed session of the Bosnia-Herzegovina Assembly has been taking place.

We have just found out that the closed part of the session, which was concerned with a discussion on the peace plan, has ended and that the vote has taken place. The results of the vote are: [word indistinct] voted for the signing of the peace plan on condition that the territories captured by force are returned; seven voted against, while four were in favor of signing the peace plan without any conditions.

So, let me repeat, the Bosnia-Herzegovina Assembly deputies have said Yes to the peace plan on condition the territories captured by force are returned. Let us add that the closed part of the session of the Bosnia-Herzegovina Assembly will continue for another hour perhaps, with a discussion of the other issue on the agenda and that is some staff changes in the Bosnia-Herzegovina Presidency. After that a news conference is to take place for foreign and local correspondents.

This is Enes Musabasic reporting from the Bosnia-Herzegovina Assembly for the Dnevnik of Radio Bosnia-Herzegovina.

### Karadzic Urges Unconditional Acceptance of Accord

*LD2909153793 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1400 GMT 29 Sep 93*

[Text] I do not know what legal and legitimate power the Assembly of the Bosnian Muslims in Sarajevo has, but I suppose that this is some kind of body which, if all eminent people take part in it, could speak on behalf of the Muslim nation. This was said today by Radovan Karadzic, president of the republic of Srpska, in a statement for Banja Luka television.

The republic of Srpska has had its Assembly since January last year, and other legal bodies since May [1993], so that it functions as a state. The Croat republic of Herceg-Bosna also has its bodies. Only Muslim Bosnia has nothing, so it had to (?form) some kind of assembly, which cannot make decisions but can adopt stands in order to help the negotiating team accept the plan, Karadzic said, adding that the Muslim side is trying to form some kind of legal body because, wishing for a unitary Bosnia until it was too late, it has fallen behind on organizing its state.

The Serb side believes that no conditions should be set to the acceptance of peace because that would mean either rejection of the plan or procrastination with accepting the plan. We wish the Muslim side to accept the plan without any conditions, all the more so, because the Geneva documents envision the possibility of swapping territories, Karadzic said.

Asked whether today's session of the people's assembly of the republic of Srpska will complete the legal formation of the republic of Srpska, Karadzic said: We have never been in a legal vacuum because we work in accordance with laws. We apply the laws of former Bosnia-Herzegovina unless they are contradictory to the constitution of the republic of Srpska, and we also use some Yugoslav laws. Yugoslavia used to apply certain Austro-Hungarian laws, which means that there is no legal vacuum. Regulations must be introduced which will be in line with a democratic and law-governed state, a civil society, and a free market economy. We will probably alter these laws frequently until we find a good model.

### Karadzic Calls For Lifting of Sanctions

*LD2909201393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1752 GMT 29 Sep 93*

[Text] Banja Luka, 29 Sep (TANJUG)—Radovan Karadzic, president of the republic of Srpska, told journalists shortly before the Banja Luka session of the people's assembly was due to start that Serbs did not want war and did not want to wage war, although the Muslim assembly practically rejected the Geneva peace plan.

Commenting on the Muslim assembly's decision, President Karadzic said such conditions practically meant the rejection of the plan.

"It is clear to everyone that the plan is on the table—whether it is accepted or not. In the case the plan is accepted, we envisaged the possibility of exchanging territories by agreement. We must now organize our state so that it can function. I think that, first of all, the sanctions should be unconditionally lifted since there is no reason whatsoever for the Serbian people to put up with the sanctions just because the Muslim side is not willing to accept the peace plan," republic of Srpska president Radovan Karadzic, said in conclusion.

### Krajisniks Threaten To Retract Concessions

*AU3009113293 Paris AFP in English 1009 GMT 30 Sep 93*

[Text] Belgrade, Sept 30 (AFP)—The Bosnian Serb assembly should retaliate for the Bosnian parliament's rejection of the Geneva peace package by "retracting certain territorial concessions" already made, a Serb leader warned on Thursday [30 September].

"We made the concessions so that the plan would be accepted and now it is clear that it will not be," Momcilo Krajisnik, president of the Serb assembly and number two in the Bosnian Serb hierarchy, told the local news agency SRNA.

The Serbian assembly was due to meet on Thursday in Banja Luka, in western Bosnia, to formulate its response to the decision taken by the parliament in Sarajevo.

The Bosnian parliament rejected the peace package as it now stands, calling on Serbs to hand over more of the territories they hold and which were formerly populated mostly by Moslems.

During the negotiations on board the British aircraft carrier Invincible, the Serbs agreed to widen the corridor linking Sarajevo with Moslem enclaves in the east.

### Serbian Assembly Session Resumes in Banja Luka

*AU2909204093 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 29 Sep 93*

[Report by Vlado Slijepcevic from Banja Luka]

[Text] The 34th session of the People's Assembly of the republic of Srpska that was adjourned on 12 September in Pale resumed in Banja Luka shortly after 1700. The assembly is discussing internal policy. Internal policy has the same significance as the peace plan, maps, and the situation on the fronts, Assembly Chairman Momcilo Krajisnik said in his introductory speech.

Recalling that the next priority is the struggle to build up a state of order and social justice, Krajisnik recalled past events in Banja Luka and pointed out that remarks must never be suppressed; however, rumors and slanders must be prevented. The conditions set by the Muslim side mean the repeated rejection of the peace plan, but the republic of Srpska can no longer agree to any concessions. We are not going to wage war. We must build our state. The international community must immediately and unconditionally lift the unjustly imposed sanctions. There is no reason for the Serbs to continue suffering because the Muslims are rejecting the peace plan and setting the conditions all the time. This is what Radovan Karadzic, president of the republic of Srpska, told correspondents immediately before the people's assembly meeting began.

The meeting of the people's assembly in the Banja Luka Culture Hall is being held behind closed doors.

### Cazin Assembly Asks Army To Protect Constitution

*AU2909120693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 29 Sep 93*

[Text] Examining the political and security situation on the territory of Cazin commune and in Bihac district, which has deteriorated following the illegal proclamation of the so-called autonomous region of western Bosnia, the councillors of the Cazin Communal Assembly at their session held on 28 September unanimously rejected this treacherous antistate act, which is completely contrary to the interests of the sovereign state of the Republic of Bosnia-Herzegovina, of the Bosniak-Muslim people, and other citizens devoted to the Republic of Bosnia-Herzegovina.

Bearing in mind that the constitutional and legal system of the state of the Republic of Bosnia-Herzegovina has been violated by this act by some self-styled leaders of the nation and leading cadres in the Bihac Security Services' Center, we, as the legally elected representatives of the nation demand that the security organs of the 5th Corps of the Bosnia-Herzegovina Army protect the constitutional system of the state of Bosnia-Herzegovina on the territory of Cazin commune and Bihac district until the legal organs and institutions of power begin to function, the statement by Cazin Communal Assembly says.

### Resistance by Residents Reported

*LD2909151593 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 29 Sep 93*

[Text] After three days of tension in the Autonomous Province of Western Bosnia caused by the imposition of martial law and the storming of the radio stations in Cazin and Bihac, members of special police units this morning overran a police station and established military rule in the village of Skokovi, three km from Pecigrad, halfway between Bihac and Velika Kladusa.

In an attempt to further advance toward Velika Kladusa, they tried to capture Pecigrad and failed miserably. About 15,000 citizens of this ancient town resisted the onslaught of the military police and special units of the 5th Corps of Izetbegovic's army. Women with infants in their arms created a human shield and are thwarting their advance.

Both the village of Skokovi and [the town of] Pecigrad are populated exclusively by Muslims.

Velika Kladusa Radio reported at around 1300 that about 10,000 people have assembled in Cazin municipality with the intention of joining the all-out resistance against Izetbegovic's military dictatorship. The citizens are demanding that Ramiz Drekovic [5th Corps commander] immediately leaves Western Bosnia because, despite being a Muslim, he ordered his henchmen to strike at their own, Muslim, people. Irfan Saracevic, minister of the interior and of defense of the autonomous province of western Bosnia, ordered his units to exercise maximum restraint in the use of arms and warned them not to fall for Drekovic's armed provocations.

### 'Mass Rebellion' Reportedly Growing

*LD2909174193 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 29 Sep 93*

[Text] The number of people gathering in the towns of the autonomous province of Western Bosnia is growing by the hour. They are protesting against the military police commanded by Ramiz Drekovic [commander of

Bosnian Army's 5th Corps, loyal to Izetbegovic]. There is also evidence of a growing number of soldiers in the crowds of almost 20,000 people. Mass rebellion against Alija Izetbegovic and the authorities in Sarajevo is growing. It is easy to spot the low morale among Drekovic's units and the discomfort among the soldiers who are told to point their guns at their own people. The morale of the people is very high and their determination to persevere in defending their freedom and pride is impressive.

### Abdic Issues Proclamation

*LD2909204393 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 29 Sep 93*

[Excerpts] Following the events in the village of Skokovi, Fikret Abdic, president of the autonomous province of Western Bosnia, has issued the following proclamation: [passage omitted]

A resolution on constitutional principles of the autonomous province of western Bosnia defined the following goals:

1. On the basis of the citizens' autonomous decision, and with full respect for human and civil rights and multiparty democracy, the constitution, laws, and other regulations are to be adopted whereby the social system will be regulated, the constitutionality, legality, as well as equality of nations will be guaranteed, and the bodies of authorities will be formed.

2. To provide peaceful living conditions; end the war; restore peace in the autonomous province of western Bosnia, that is, throughout Bosnia-Herzegovina; establish normal relations with the republic of Srpska and the republic of Herceg-Bosna; develop good cooperation with the Republic of Croatia; and enable the return of refugees and displaced persons as soon as possible.

3. To establish good relations with the whole world.

4. To organize towns, municipalities, and local communities on the basis of freely expressed will of citizens.

5. To create conditions for a speedy economic development on the basis of free enterprise.

6. To reopen roads and secure access to sea by creating a free zone in Rijeka.

7. To create a duty-free zone with convertible currency in the autonomous province of western Bosnia.

On the basis of these objectives, the constituent assembly has adopted the following constitutional provisions:

First: The autonomous province of western Bosnia has been constituted on the basis of the citizens' right to autonomy;

Second: The social system will be a democracy, based on political, multiparty pluralism, universal suffrage, freedom of enterprise, the rule of law with full respect for human and civil rights, and the equality of nations;

Third: The bearers of authority are the citizens who will exercise this authority either directly or through freely elected representatives;

Fourth: The constitutional order sets off from the division of authority into legislative bodies, executive authorities, and independent judicial bodies;

Fifth: Until the constitution of the republic of Bosnia, the autonomous province of western Bosnia will pursue independent policies in the following areas: national defense and internal affairs, foreign policy and foreign trade, monetary policy, administration, inspection, tax policy, contributions, communications infrastructure, public services, power supply, environmental protection, the judiciary, the economy, the privatization of social ownership, science, culture, education, health policy, social security, the press, and all other state functions except for those that have been placed under the jurisdiction of the union of republics of Bosnia-Herzegovina in accordance with the constitutional agreement. The autonomous province of western Bosnia can delegate certain authorities to the republic of Bosnia after it is constituted. The autonomous province of western Bosnia will merge with the republic of Bosnia on the basis of equitable decision making;

Sixth: The legislative body is the assembly of the autonomous province of western Bosnia. After the adoption of the constitution, deputies will be elected through universal suffrage according to the territorial and functional principles. Fifteen deputies will be elected directly in defined territorial electoral districts. Twenty deputies will be elected from enterprises, cooperatives, and trade organizations, while five deputies will be elected directly from the public service sector;

Seventh: The president of the autonomous republic of western Bosnia is elected by the constituent assembly and, following the adoption of the constitution, will be elected in direct elections according to the territorial and functional principle. The president of the autonomous province will represent the province in its relations with the republic of Bosnia and the union of republics of Bosnia-Herzegovina, and in international relations. It will appoint the mandator for the provincial government, the commander of the armed forces, and will pursue a policy of demilitarization;

Eighth: Executive authority will be in the jurisdiction of the government of the autonomous province of western Bosnia, comprised of the president, two deputy presidents and ministers. The judiciary is organized at two levels and is independent;

In accordance with the constitutional principles, the participants in the constituent assembly session unanimously elected Fikret Abdic as president of the autonomous province of western Bosnia; Ejup Topic as president of the constituent assembly; and Zlatko Jusic as

prime minister of the autonomous province of western Bosnia. A resolution on the economic principles in force in the autonomous province of western Bosnia and the guidelines for their realization were also adopted at this session. [passage omitted]

### Autonomy Proclamation Condemned

*AU2909192993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 29 Sep 93*

[Text] The setting up of the so-called autonomous province of western Bosnia at a time that is fateful for the Republic of Bosnia-Herzegovina represents an act of breaking up the internationally recognized state of Bosnia-Herzegovina. This is directly helping the aggressor accomplish his final goal. This was stated, among other things, in a communique issued by the Security Center of Bihac.

We are resolutely opposed to this unconstitutional and shameful act, the breaking up of the Republic of Bosnia-Herzegovina, at a time when it is struggling for the biological survival of the Muslim people. This was stated in a communique of the Velika Kladusa branch of the Muslims Youth Alliance issued in response to the unconstitutional and [word indistinct] proclamation of the so-called Autonomous Province of Western Bosnia.

### News Agency Founded

*LD2909214793 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 29 Sep 93*

[Text] The first session of the provincial government of western Bosnia, convened by the prime minister, Zlatko Jusic, was held in Velika Kladusa this afternoon.

The government established the interior and defence ministry as a single institution which places the police and the army under a unified command and within the jurisdiction of the autonomous province's civilian authorities.

In order to emerge from the information blackout and inform the domestic and international public about the democratic processes underway in western Bosnia and the attempts to violently supress these processes, the government has founded the western Bosnian information agency—ZBIA [Zapadno Bosanska Informativna Agencija] which already sent news into the world today on the activities of Izetbegovic's military units aimed at capturing Pecigrad and reaching Velika Kladusa.

### Boban Denies Reports of Concentration Camps

*AU3009102693 Budapest MAGYAR HIRLAP in Hungarian 29 Sep 93 p 8*

[Interview with Mate Boban, leader of the Bosnia-Herzegovina Croats, by Vujity Tvrtko in Medjugorje in Bosnia-Herzegovina; date not given: "There Is No Croat Concentration Camp Here"]

[Excerpt] [passage omitted]

[Tvrtko] Mr. President, one and a half years ago, when we met in Sarajevo, together with Karadzic and Izetbegovic, you declared that there would be no war in Bosnia-Herzegovina. What happened?

[Boban] I said that the Croats did not want war and that no fighting would begin because of my people. It seems that others did not want this. Later, on the Muslim side, Alija Itzetbegovic reneged on all his promises; in other words, he did not want the Bosnia-Herzegovina on which we agreed in Sarajevo and Lisbon. He wanted Bosnia recognized under his leadership. When he achieved this (in April 1992), he canceled the agreements signed with the participation of the international mediators. The Serbs welcomed this news, because our agreement in Konak did not include most of their subsequent territorial demands. Then I was no longer certain that there would be no war.

[Tvrtko] You recently proclaimed the Croatian republic of Herceg-Bosna. The world is viewing it with disbelief: Is it an independent sovereign state or a state within a Bosnia-Herzegovina union?

[Boban] The Croatian republic of Herceg-Bosna is an organic part of Bosnia-Herzegovina. When in the course of our future negotiations we will draw up the borders together with the two other nations, our republic will be an independent one within Bosnia, but it will appear as part of the Bosnia-Herzegovina union on international political maps.

[Tvrtko] What is the difference between the so-called Croatian republic of Herceg-Bosna and any other arbitrarily proclaimed Serbian Krajina or "republic of Srpska" within Bosnia?

[Boban] There are great differences. The Serbian krajinas and the various entities emerged through force, terror, and murder. The Muslims are now using the same method. The Croatian republic of Herceg-Bosna is the defended territory of the Croatian people. Self-defense is the justice of nature and God.

[Tvrtko] Many people claim that there are concentration camps on the territories under your control.

[Boban] Anyone can come here and see that there are exclusively war prisoner camps here.

### UNHCR Says 800 Women, Children Being Held by Croats

*AU3009113493 Paris AFP in English 1051 GMT 30 Sep 93*

[Text] Sarajevo, Sept 30 (AFP)—Some 800 mainly-Moslem women and children are being held in a central Bosnian village by Bosnian Croats, possibly as hostages for future ethnic exchanges, a U.N. aid official said here Thursday.

The women and children were rounded up, reportedly for "for their own protection", about a month ago from

eight settlements around Kiseljak and taken to the village of Rotilj, UN High Commissioner for Refugees (UNHCR) spokesman Ray Wilkinson said.

The men from the villages had been rounded up some time ago and apparently taken to the war front to dig trenches for Croat forces, according to local field reports.

Some of the women had been raped and robbed by "roving gangs" prior to being moved to Rotilj, a small settlement of about 100 people who had fled during earlier fighting.

The displaced women and children were living in "very poor conditions", 30 to 40 to a house, often in war-damaged homes, Wilkinson said.

The women were reportedly allowed to walk to Kiseljak, but few ventured to do so, the spokesman said.

The women "appear to believe they are being held hostage for future ethnic exchanges," he added.

### UNHCR Warns of Possible Disaster

*AU3009113393 Paris AFP in English 1012 GMT 30 Sep 93*

[Text] Sarajevo, Sept 30 (AFP)—Continuation of Bosnia's war into the winter threatens disaster for the relief effort, a UN High Commmissioner for Refugees (UNHCR) official warned Thursday [30 September].

"The latest developments in the Bosnia peace talks leaves us looking into the jaws of a major disaster," said Ray Wilkinson.

"Unless there is a speedy peace and an end to the fighting, the entire humanitarian effort will be seriously compromised," he added.

His comments came a day after the Bosnian paliament voted to reject the Geneva plan in its present form, saying it would only agree to partition of Bosnia if the Serbs handed over more territory to the Moslem-led entity slated to emerge from a three-way split of the country.

Already humanitarian relief operations were facing major difficulties, Wilkinson said.

Because of the ongoing conflict, the most food supplies the UNHCR had managed to bring into the country was 25,000 tons for the month of March, the spokesman said.

Over the winter, at least double that amount would be needed per month to feed some 2.7 million people around the country and prospects of achieving this looked "unlikely", he said.

The UNHCR, which has been flying a daily average of 20 plane loads of food and aid into Sarajevo, was looking to expanding its operation to 30 flights a day in October, but other areas remained difficult of access or out of bounds to the relief effort, he said.

The Maglaj-Tesanj area of northern Bosnia, where Moslems are surrounded by both Bosnian Serbs and Croats, had received no overland food aid since the beginning of the summer.

The only food provided to tens of thousands trapped in the area came through nearly nightly airdrops, he said.

Wednesday night, five U.S., one French and one German plane dropped some 45 tons of food over the area, U.N. Protection Force officials said.

### Health Institute Issues Figures on Casualties

*AU2909182693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 29 Sep 93*

[Text] So far, 140,655 people have been killed in the war in Bosnia-Herzegovina, died of starvation and cold, or are missing. This represents 6.7 percent of the population of the territories from which the data comes. The records of the Republican Institute for Health Protection show that at least 20,000 people (?are) in camps, mainly tortured and exhausted. This amounts to (?0.95) percent of the Bosnia-Herzegovina population. There are 11,987 permanently disabled people, which is [word indistinct] percent of the Bosnia-Herzegovina population.

## TANJUG Reports Mobilization Against Krajina

*LD2909170493 Belgrade TANJUG in English 1637 GMT 29 Sep 93*

[Text] Belgrade, September 29 (TANJUG)—A new mass mobilization is taking place in Croatia, learned TANJUG from generally well-informed sources on Wednesday.

Today, overall feelings in Croatia are the same as in late August when all men fit for military service are hunted to be [word indistinct]. The mobilization was followed, on September 9, by Croatian troops' offensive on the Republic of Serb Krajina (RSK)—the Serb state in the territory of the former Yugoslav Republic of Croatia—which is the United Nations Protected Area (UNPA).

The Republic of Serb Krajina was proclaimed by Serbs in 1991 in response to Croatia's secession. Last spring, Krajina was declared an UNPA, because of the clashes between the Krajina Serbs and Croatian authorities which continue to consider Krajina their territory.

TANJUG sources' claims that many Croatian young men are fleeing to neighbouring countries in order to dodge the new mobilization have been sustained by Croatian border statistics—an increasing number of men have been going on 'excursions' abroad since the end of the last week.

The latest mobilization and deployment of Croatian troops in the towns of Petrinja and Karlovac areas as well as in the regions of Lika and Ravni Kotari are considered as preparations for a new aggression against the RSK.

## Istrian Congress Head Views Regionalism

*AU2909181493 Zagreb DANAS in Serbo-Croatian 28 Sep 93 p 22, 23*

[Interview with Ivan Herak, head of the Istrian Democratic Congress, by Ratko Peter in Pazin on 24 September: "Counties Cannot Be Reserves"]

[Text] Relations between the ruling political party in Croatia and the Istrian Democratic Congress [IDS] have been fluctuating for a long time. The leaders of the IDS did not like some parts of the speech by the president of the Republic at the ceremonial session of the Croatian Assembly that celebrated the return of Istria, Rijeka, Zadar, and the islands to Croatia. IDS Chairman Ivan Herak, whom some Istrian political circles reproach for being too yielding toward Zagreb, again tried to "calm spirits down." Immediately after the ceremonial assembly session, Mr. Herak agreed to give an interview for DANAS.

[Herak] The impressions are still fresh and it is difficult to speak under a social emotional charge. I am deeply disappointed by President Tudjman's speech. Today was a wonderful opportunity for the politically quarreling Istria and Croatia to reconcile and peacefully examine the present and the future of Istria. Viewing all this in the context of recent contacts between myself, Mr. Delbianco, and Mr. Jakovcic and the President, when no agreement was reached, but, in principle, a very high level of understanding for Istria's problems was demonstrated, this speech disappointed us all. Although I do not wish to defend the president, I believe that the right wing of the ruling party has spoken through his mouth. The balance of power, as to who rules Croatia, is becoming increasingly more visible. This is not only dangerous for Istria, but also for all of Croatia.

[Peter] Is dissatisfaction with the speech of the president of the Republic a reason why, beside yourself, other IDS representatives also remained seated and did not applause?

[Herak] A good number of deputies of the ruling party did not stand when our national anthem, Wonderful Land [Krasna Zemljo], was played. This was an indirect sign of disrespect, and I believe that this is not the time for emotional reactions. In any case, we must calmly think what to do next, together with the opposition, from which I expect a joint reaction to the president's speech.

[Peter] It seems that there is a major misunderstanding between Zagreb and Istria in insisting on regionalism?

[Herak] I believe that, by attacking us, the president is trying to strike a decisive blow to the regional movement in Croatia. Dalmatia, Slavonija, and Medjimurje have been mentioned in this respect. Therefore, a blow to the IDS is a blow to all regionalist options in Croatia. We are all Croats, but I hope that the primitive nationalist charge will diminish with each day. It is my opinion that, particularly in this sphere, the ruling party is entering shakey ground. Today's speech was more, I would say, the bite of a wounded man. What the Croatian Democratic Community [HDZ] has accomplished are not counties, but reserves, and I believe that the passing of a new law is being deliberately delayed. Croatian legislation did not recognize Croatia divided into counties, this, I guess, is clear to everyone. Neither historic nor transportation and cultural arguments have been observed. Istria is the only county that managed to preserve its name and identity. Dalmatia and Slavonia have been divided. Croatia is a regionalist country, culturally and geographically speaking. The regions are an asset and not a curse, as some people believe. Regionalism and rights are the best way to democracy, and not this instant transformation. This means bringing down the authorities to the lowest level, and here lies the essence of the problem. Regionalism means a richer Croatia, but also less power for individual structures.

[Peter] Often the Istrian leaders, in particular, insist on respecting Istrian individuality. This is an ambiguous term and can you explain it?

[Herak] Istria demands very high standards for itself. This means that, at the same time, it demands considerably more, which the present law also offers for other counties. We, absolutely, cannot be satisfied with local

self-rule as it is. Croatia cannot function like this. Local self-rule incites democratic processes and a more rational, efficient, and purposeful management of social assets.

[Peter] In this context, Istria as a sort of inter-region is being mentioned.

[Herak] Istria was and is a place of national tolerance, but to speak of some inter-region today makes no sense, as half of the country is bleeding and this would merely mean pouring oil on fire. It would not be very wise politically either, regardless of the fact that inter-regions are a positive European tradition. There are differences over the priorities regarding this within my party, too. As I have said, to some, this is an inter-region, but to me, this means local self-rule and transformation.

[Peter] You have mentioned some differences within your party. How realistic are the speculations following your interparty elections in Labin in October, that the party is divided into factions—the secessionist, regionalist, federative, and Croatian factions?

[Herak] There have been some misunderstandings, but we agreed to resolve everything within the party. In this sense the aforementioned president's speech has also helped us, because it has united us all. There was some unfair lobbying at the elections in Labin, and I reacted in a way I do not usually react. Actually, I believe that my speech contributed toward the strengthening of the IDS. The divisions that you mentioned have nothing to do with the truth, and I will thus repeat what I have already said, which is, that there were no problems until February when, with the arrival of professional consumers of power [as published] in the IDS, certain commotions and misunderstandings started. This is why different people sense Croatia differently. It is logical that Dino Debeljuh cannot have the same feelings for being a Croatian than I do, because his wife is Italian and lives in Buje, which is a traditionally bilingual region.

[Peter] In the notorious letter to Assembly Chairman Stipe Mesic you were also the one who reacted differently.

[Herak] I must admit that there were mistakes on our behalf too, although I agree with 99 percent of the contents of the letter. I beliece the letter followed claustrophobic centralist laws, it was all about agricultural land and local self-rule. I know that my colleagues have threatened civil disobedience, although this is not in our genes. In the final sentence, we fell into a trap and our political opponents could not have waited for such a statement in order to be able to finally say: "You see where this regionalism is leading." I believe that this was not necessary. The HDZ has made plenty of mistakes and we can wait patiently for it to fall in the trap it made itself.

[Peter] In the party, your are a vice president in charge of economic issues, while your criticism of the property transformation did not go unnoticed.

[Herak] The transformation is a great deception of the Croatian nation, a big robbery of social and state property. The companies have not been valued objectively, the problem of denationalization has not been resolved, there are no new development programs, and there is no fresh money either. All in all, it is a big blunder. I believe that now is the time for a radical turnabout and not for cosmetic touch-ups as is being done now. Numerous people in Istria have subscribed for shares, but the question is of whether they would be paid out. I believe that the purpose of the transformation in Istria was to change the demographic structure, and there have also been attempts to impose a new property structure and make Istria more Croatian, as we are allegedly not great and good enough Croats. The HDZ is trying to form parallel authorities, in which it is partially succeeding, but with catastrophic and unforeseeable consequences.

[Peter] In this sense, a positive solution of the "Rabac case" is ascribed to you.

[Herak] I must be immodest. I am truly the most meritorious person for the solution of the "Rabac problem." A director was appointed there on the basis of his membership in the rulling party. Although he tried, no results were forthcoming, while preparations for transformation were carried out very badly. The managerial board did not show trust in him and, within 3 weeks, we succeeded in our efforts for people to subscribe 51 million German marks, which was not possible within the former structure. All in all, there were problems everywhere in Istria were politics mixed with the economy, like the case of the Pula-based Arenatourist.

[Peter] Speaking of concrete cases, you are familiar with the problem of the Brioni islands, you are even sitting on the managerial board.

[Herak] The Brioni islands are a major political issue and this is a well known fact. In Istria, we are mainly bothered by their extraterritorial and untouchable status and the appointment of a forestry officer from Zagreb instead of Mr. Vlacic who is very capable. Regarding the future, we must proceed slowly. I believe that the residents and the commercial sector can find their interests here. I believe that the Brioni islands must never be alienated property-wise as they represent immense wealth. They must remain, to a great part, in Croatian, domestic hands.

Therefore, I would like to emphasize that the investment of foreign capital is favorable, but only up to a point. This is a basic determination of the IDS. I wish that the capital will come from Germany, Austria, Italy, and so forth. We want proportionality and to avoid creating a political and economic dependency. Regarding Italian capital, I have very negative experiences, but I would not like them to be published, as has been done recently by one weekly magazine. Therefore, equal treatment for everybody.

[Peter] The need to demilitarize Istria has been talked about for a long time. I have recently discussed this with

President Tudjman and Defense Minister Susak. It seems that you have not found a common language.

[Herak] We have concluded, at Brioni, that military installations in Istria that are situated in the most attractive locations be transferred and then, when circumstances permit, that Istria be gradually demilitarized. I believe that this demand of ours has not been conveyed correctly. We did not have total demilitarization in mind, but only a reduction in military potential. This issue is complex and it cannot be said that we want tourism and, therefore, we do not want the Army.

[Peter] There has been plenty of uproar over the demographical policy in Istria, hasn't there?

[Herak] During one meeting, President Tudjman threatened to settle Istria if we try to create a sort of "greater Istria," pull away from Croatia, and so forth. However, thanks to, among other things, the catastrophic policy of the Croatian authorities toward Bosnia-Herzegovina, Istria will be the center of demographic movements.

Thanks to "wise" moves, two thirds of the Bosnian Croats stayed out of Herceg-Bosna. Some of them will probably settle in Herzegovina, and some of them in Croatia and also in Istria. We will not be able to influence this, nor do we have the right to make such decisions, but I must say that we are opposed to forceful political-demographic changes. Istria is relatively sparsely settled, but we need no missionaries here, we need normal migration processes. I believe that a forceful settlement of Istria would bring unforeseeable consequences.

[Peter] And finally, are you an Istrian?

[Herak] Istrians are not a nation and in official use I rather use the term Istrian Croat. It is normal that we are not a nation. People are irritated by the moves of the authorities and that is why they reacted the way they did during the first census. I say, for myself, that I am Istrian, but it is normal that I am a Croat. There are Dalmatians, Lika people, and Slavonians in our country. I see nothing bad in it.

I am afraid that there are efforts to impose a sort of new Croatianhood in Croatia that is not exactly reputable in the world. I hope that true values will eventually nevertheless surface to prominence.

## Intelligence Agency Head Jakin Resigns

*AU2909172093 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 29 Sep 93*

[Text] This morning, the ministers in charge of supervision of the Slovene Intelligence-Security Service [SOVA] and a responsible government office denied a newspaper report on the resignation of the head of this service, Silvan Jakin, and on Jakin's deputy, Drago Fers, temporarily performing this post.

Silvan Jakin, therefore, continues to perform the post of SOVA's director, although, as we have learned today, he has indeed written a resignation statement. Due to the absence of the prime minister and some ministers, the resignation could not have been either accepted or rejected so far.

As it is known, the rumors of Jakin's resignation started spreading when it was learned that the newly appointed SOVA director, without the consensus of attorney Niko Belopavlovic, alienated documents connected to the defense of the former agent of the Security Information Service [VIS] Miro Predanic in the Maribor arms case. Subsequent findings by those authorized confirm Jakin's action. The investigation also established that the VIS was involved in the arms case although former service director Miha Brejc had denied this on several occasions, even during the questioning in Maribor.

The material that incumbent ministers have prepared for the session of the State Chamber speaks of the implication of the VIS. Deputies will discuss it at this parliamentary session.

Because of all this, the government circles do not rule out the possibility of the resignation of SOVA Director Silvan Jakin. Although the change at the head of the service has not taken place yet, this does not mean that it will not.

## Defense Minister Urges Economic Equality

*AU2909112993 Ljubljana DELO in Slovene 27 Sep 93 p 2*

[Report by Ivan Praprotnik: "The State Should Safeguard Equality in the Eyes of the Law"]

[Text] Radlje ob Dravi, 26 September—"It is not possible to build a solid future on privileges and differences that are not based on better work and honestly obtained property. The duty of the Slovene state is to safeguard equality in the eyes of the law for all, to abolish unjust privileges, spur economic growth with an appropriate taxation system, limit monopolies, and lift the burden on the socially weaker classes," Janez Jansa, president of the Social Democratic Party of Slovenia [SDSS] and Defense Minister, said at today's rally marking the end of the autumn fair and a local holiday in Radlje.

The speaker of honor, who was greeted with applause from more than 1,000 people in a large marquee, said that the Slovene Social Democrats favor the just and equal development of Slovenia. He stressed here that in the present debate on local self-government we should not allow all the capital, knowledge, power, and so forth to flow to one center alone. When he spoke of the economic circumstances, he said that Slovenia is still dogged by problems rooted in the former Yugoslavia. Among them, he singled out unwise investment in heavy industry that cost Slovenia several hundreds of millions of German marks annually, which are coming out of the pockets of poorly paid workers, unemployed people on meager welfare, and so forth. He added that the capital that vanished from the state directly prior to the 1990 elections is returning to Slovenia again, only it is now in private hands and it no longer belongs to everybody who created it.

At the rally Jansa also said that we live in a state where casinos are taxed hardly any higher than baby food, which is unique in the world. All proposals for laws aimed at improving this are being blocked and feet are being dragged in parliament, while a small group of people continue their manipulations with the illegally obtained money. Jansa criticized the many privileges that have survived from the past, among which are the pensions for officials and former officers of the Yugoslav Peoples Army.

## Serbia

### Seselj Claims Socialists Losing Support

*LD2909210693 Belgrade TANJUG in English 1722 GMT 29 Sep 93*

["Pool" item]

[Text] Belgrade, Sept 29 (TANJUG)—Leader of the Serbian Radical Party (SRS), the strongest opposition party in the Yugoslav Republic of Serbia, Vojislav Seselj, assessed on Wednesday [29 September] an attack on his policy by Serbia's ruling Socialist Party (SRS) as a sign that the 'socialists have been losing their heads' and 'losing support rapidly.'

In a statement to TANJUG, Seselj estimated Tuesday's statement by the SRS as 'a desperate attempt' to rescue the republican government of Nikola Sainovic for which he, however, asserted there was 'no rescue.'

The radicals' call on the Sainovic cabinet to resign was an immediate reason why the SPS issued its statement calling to a struggle 'against the evil personified by Seselj.'

The leader of the radicals was accused of 'primitive chauvinism' in political conduct, of inciting a warmongering atmsphere, of creating ill feelings amongst the Serbs and hatred against the non-Serbs, of personally contributing to war crimes and to the formation of paramilitary units, and of helping war profiteers and criminals.

The socialists' assertion that they have never sought support from the radicals was countered by Seselj who said that the SPS, after winning the elections, had offered ministerial posts to radicals who rejected the offer. The Radicals, the party of extreme right, have most deputies in the Serbian Parliament next to the ruling Socialists.

On Wednesday, the SPS statement was commented also by a number of officials of the Serbian opposition parties. Most of them were aligned against Seselj, recalling, however, that his party had almost until yesterday been very close to the ruling Socialist Party.

President of the Executive Board of the Democratic Party (DS) Zoran Djindjic stated that the SPS' stand towards the radicals 'has to be upheld, irrespective of its late-coming and of the ruling party's current motives.'

Djindjic asserts in his statement that the 'suppression of Seselj's and his like-minded's destructive activity is the genuine national concern.'

Leader of the Democratic Party of Serbia (DSS) Vojislav Kostunica says that the SPS statement presents 'what the democratic opposition has long been aware of, but this is now being presemted as a discovery in order to conceal that Seselj has been the pillar of the regime.'

In Kostunica's words, a non-democratic attitude, national intolerance and contempt for the internatponal community, otherwise typical of Seselj's policy and program, 'also adorn the SPS and its first man.'

The Serbian Renewal Movement (SPO) in its announcement notes that the SPS 'too late, has taken a logical, perhaps forced out but nationally useful step.' The SPO, however, remarks that the SPS 'has long nursed this political monster.'

According to the leader of the Social-Democratic Party of the Centre, Cedomir Mirkovic, the SPS statement accounts for an event of 'first-rate and long-term political significance.'

Mirkovic is confident that the SPS' reaction to Seselj's activiity may make Serbia's political life more regular than it has been so far.

### Stari Grad Socialists Say Radicals Must 'Disappear'

*AU3009113893 Belgrade Radio Beograd Network in Serbo-Croatian 1100 GMT 30 Sep 93*

[Text] The Stari Grad communal committee of the Socialist Party of Serbia [SPS] fully supports the statement by its main committee concerning the work of the Serbian Radical Party [SRS].

As the statement says, the committee's position is that we must prevent once and for all the terror stemming from empty rhetoric patriotism, which is merely a camouflage to denigrate the just struggle of the Serbian nation and introduce a fascist-type dictatorship on our political scene.

Veiling their intentions to provoke a clash within the Serbian nation in democratic guise, the SRS and its moving spirit Vojislav Seselj forget that they are a direct product of the crisis that has befallen these territories and that with the disappearance of this crisis they and those like them must be the first to disappear.

The Stari Grad SPS communal committee will not take upon itself the sin of striking a pact with this right-wing party, as has increasingly frequently been implied by individual opposition parties, as such a pact has simply never existed.

## Macedonia

### Negotiations Postponed Until After Greek Elections

*AU2909164193 Skopje MILS-NEWS in English 29 Sep 93*

[Unattributed report: "Negotiations Continue After Elections in Greece"]

[Text] After the meeting between the Macedonian and the Greek delegations in New York yesterday, under the

sponsorship of Cyrus Vance, a statement was issued saying that the delegations from Greece and former Yugoslav Republic of Macedonia decided to postpone their further direct negotiations until Greek elections on 10 October.

The leader of the Greek delegation, Ambassador Jorgos Papulias stated the meeting was carried on in a cordial and working atmosphere, and he also added that the future Greek actions will depend on the results of the forthcoming elections.

The mediator Cyrus Vance will have separate meetings, this afternoon, with the Greek foreign Minister Papakonstantinou and the Macedonian Foreign Minister Stevo Crvenkovski. He is expected to have a meeting with President Gligorov on Friday [1 October].

## Montenegro

### President Reportedly Attacked by 'Hooligans'

*LD2909212293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1945 GMT 29 Sep 93*

[Text] Podgorica, 29 Sep (TANJUG)—Nikola Pejanovic, the Montenegrin minister of internal affairs, said in Podgorica this evening that seven people had been arrested in Cetinje. They took part in a brutal interruption of a scientific gathering devoted to the work and life of Petar II Petrovic Njegos, on the 180th anniversary of the poet's birth.

Speaking this evening in the central news program on Montenegrin television he said that the culprits would be severely punished, adding that "all of us have to learn to respect institutions."

Pejanovic said that the car which brought Montenegrin President Momir Bulatovic to Cetinje today was wrecked as abuse was hurled at him by a group of hooligans.

According to Pejanovic, they even physically attacked Bulatovic.

The Montenegrin minister of internal affairs said that the arrested people confirmed that today's "events" in Cetinje were organized by the Liberal Alliance of Montenegro.

## Kosovo

### Pro-Yugoslav Albanians Appeal to Milosevic

*LD2909230093 Belgrade TANJUG in English 2100 GMT 29 Sep 93*

[Text] Pristina, September 29 (TANJUG)—The pro-Yugoslav Society of Ethnic Albanians, Serbs and Montenegrins from Kosovo and Metohija (Kosmet) sought Wednesday [29 September] from Serbian President Slobodan Milosevic help and protection from the increasingly frequent attacks by ethnic Albanian separatists and terrorists on the members of this society.

In a letter to President Milosevic they pointed out 'daily provocations, pressures, blackmail, maltreatment and increasingly brutal assaults and murders by ethnic Albanian separatists' and warned that the separatists 'were accosting children, raping women and girls, planting explosive devices and poisoning wells.'

The society of 'Albanians, Serbs and Montenegrins for United Serbia and Yugoslavia' strongly demanded that the culprits of these and similar brutal attacks be found.

President of the society, Dr. Basri Plana, an ethnic Albanian, told a press conference in Pristina that so far 52 society's members have been attacked, and that in four cases alone the culprits were found.

He said the culprits were 'Rugova's resurgence terrorists and greater Albanian chauvinists.'

Ibrahim Rugova is leader of a part of ethnic Albanians in Kosmet who was active in the illegal searatist movement for more than two decades. He urges session [as received] of this Serbian province and the creation of a 'greater Albania' at the expense of Serbia's territory.

'All (ethnic) Albanians who have said no loud and clear to Rugova's self-proclaimed republic and who have tied their future and fate firmly to Serbia and Yugoslavia are the main targets of the separatists,' said the letter to President Milosevic.

The letter called the murder of Nikol Bibaj, an ethnic Albanian, who was killed on September 21, as claimed, by a group of Albanian separatists and terrorists who came from Skol, a place in the neighboring Albania where training for terrorist activities in camps was being organized.

The letter also warned that in kosmet, representatives of the Croatian Democratic Union (HDZ), the ruling party in Croatia, and the Party of Democratic Action (SDA), which rallies Moslems loyal to Bosnian Moslem leader Alija Izetbegovic, were also active.

Ethnic Albanians are predominantly Moslems.

Letters of similar content were also sent to the CSCE, the U.N. secretary-general, the U.S. Congress and the U.S. President.